The China Weekly REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Hull-Hirota Send Friendly Notes---Roosevelt Signs Big Navy Bill!

ARTICLES IN THIS ISSUE

Communists Again Active on Many Fronts---Nanking-Canton Rapprochement Nearing
Hull and Hirota Exchange Friendly Notes---Roosevelt Signs U. S. $500,000,000 Naval Appropriation Bill!
Filipinos Receive their Charter of Independence
Shanghai Property Owners Fear "Cut Rent" Movement
Koki Hirota and Japan's "Black Dragon" Diplomacy
China Cuts American Loan to U. S. $20,000,000---Meeting of the National Economic Council
Japanese Military Activities in Chahar Aimed at the Soviets
Celestial Maternity and Tragedy---A Review of Pearl Buck's Book
Deadlocked Anglo-Japanese Cotton Parley Adds to the World Apprehension of "Yellow Trade Peril" *(By the Review's Tokyo Correspondent)*
Reds Active Again in Central China *(By the Review's Hankow Correspondent)*
Japanese "Adroit Diplomacy" Victorious---Is It Another "Lansing-Ishii Agreement"? . By C. Y. W. Meng
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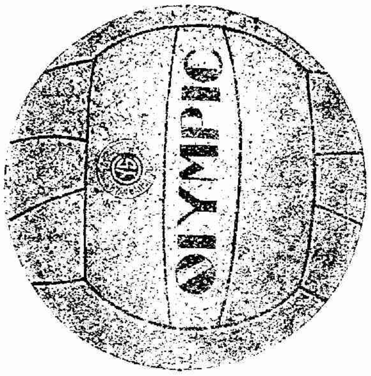

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Contents

Editorial Paragraphs

- Filipinos Receive their Charter of Independence... 155
- Shanghai Property Owners Fear "Cut Rent" Movement... 1 6
- Rebuilding of the Tien Yi Kuo Library... By Chih-ber Kwei, Ph.D. 157
- Hull and Hirota Exchange friendly Notes—Roosevelt Signs U. S. $500,000,000 Naval Appropriation Bill! ... 158
- Koki Hirota and Japan's "Black Dragon" Diplomacy... 161

Special Articles

- Communists Again Active on Many 'Fronts—Nanking-Canton Rapprochement Nearing ... 166
- Let Marshal Feng Yu-shiang Lead the New Life Movement ... By Paul K. Whang 172
- Japanese "Adroit Diplomacy" Victorious—Is It Another "Lansing-Ishii Agreement"? ... By C. Y. W. Meng 174
- Deadlocked Anglo-Japanese Cotton Parley Adds to the World Apprehension of "Yellow Trade Peril" 178
- Hopeful Elements in Chinese Economic Life ... By Arthur G. Coons 180
- Who's Who in China... 187
- Men and Events ... 188
- New Books of Interest in the Far East ... 190
- Reds Active Again in Central China... 192

CONTENTS OF PREVIOUS ISSUES OF THE CHINA WEEKLY REVIEW MAY BE FOUND IN THE "INTERNATIONAL INDEX TO PERIODICALS," COPIES OF WHICH ARE ON FILE IN MOST STANDARD LIBRARIES.

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FILIPINOS RECEIVE THEIR CHARTER OF INDEPENDENCE

SOME twelve million Filipinos or at least those who have some conception of world affairs will view with mixed feelings of joy and apprehension the action of President Roosevelt in signing, on March 24, the bill which grants independence to the Islands. The independence bill, which carries the names of its congressional sponsors McDuffie and Tydings, provides for the complete American evacuation within thirteen years. The American military forces in the Islands are to be withdrawn at once while the U. S. naval establishment is to be relinquished simultaneously with the granting of complete independence, that is between 12 and 13 years. Aside from a few fuelling bases the interest of the U. S. Navy will be entirely relinquished; in other words the United States is not to maintain any permanent military or naval bases in the Islands such as those which were contemplated in the independence bill which was passed in 1932 during the Hoover administration. To Manuel Queson, Filipino independence leader, goes chief credit for the present independence bill which constitutes a charter of freedom for his people. Queson was dissatisfied with the previous bill so he went to Washington and succeeded in obtaining adjustments to his liking. A complete text of the measure which President Roosevelt signed last Saturday is not available, but it is no half-hearted relinquishment. It's a complete evacuation of American administrative and military control, the 13 year transition period being necessary in order for Americans to liquidate or adjust their business interests and the Filipinos to set up their administrative machinery. A considerable time also will be necessary for the negotiation of treaties between the United States and other Powers providing for the independence or neutrality of the new Philippine Republic in the event of a war in the Pacific.

Aside from the small group of American "die-hards" at Manila, the Americans generally will approve of President Roosevelt's action in granting the Filipinos complete independence. The small group of Americans at Manila who opposed independence probably wish now they had saved the considerable sums of money they wasted on propaganda for their fight was a futile one and probably benefitted no one except the printers and the occasional delegates they sent to Washington as lobbyists. The Americans promised the Filipinos independence when they acquired the Islands from Spain in 1898 and they have now carried out their obligation. That is the outstanding element in the situation—not the fact that the United States allegedly speeded up the independence enactment due to recent political developments in the Pacific tending in the direction of war. European nations, particularly Britain, France and Netherlands, will view the American action with considerable apprehension because the withdrawal of the American naval and military forces from Corregidor will have the effect of further stimulating native independence movements in India, Netherlands Indies and Indo-China. Also it will remove the American shield or obstruction to further Japanese expansion toward the south. The Japanese naturally will welcome the American withdrawal because it will serve to further strengthen Japan's position as the dominant power in Asia. China probably will view the American withdrawal with apprehension for two reasons, the strengthening of Japan's position and because of the large Chinese population in the Philippines who control most of the domestic business. Prior to the American occupation in 1898 it had been customary for the Filipino natives to persecute or even massacre the Chinese shop-keepers at periodic intervals. The Americans put a stop to this and in consequence the Chinese prospered to such an extent that they now control about 80 percent of the domestic retail and wholesale business. The Filipinos now, in all probability will set about restricting the Chinese—as a matter of fact the more far-sighted of the Chinese are already beginning to liquidate their holdings and transfer their money to Shanghai for investment.

The Philippine Republic comprises an area of 114,400 square miles and has a population of 12,604,100—which figures out at about 111 to the square mile. They constitute the largest island group of the Malay Archipelago and were first discovered by occidentals when Magellan visited the Pacific in 1521. They were conquered by Spain in 1565 and with the exception of the Moro inhabitants of the southernmost islands who are Mohammedans, most of the people have been converted to the Catholic faith. The Filipino Republic thus constitutes the only Christian nation in the Orient. The country is tropical in climate and the soil is immensely fertile while the mountainous areas are rich in minerals, particularly coal and gold. While the United States promised the Filipinos independence from the beginning of the American administration in 1898, the first definite gesture was in 1916 when Congress passed the so-called Jones Act which declared, "It has always been the purpose of the people of the United States to withdraw their sovereignty over the Philippine Islands and to recognize their independence as soon as a stable government can be established therein." This was eighteen years ago, hence the charge that the United States is now side-stepping its responsibilities does not hold water. The assessed value of taxable real property in the Philippines at the present time is estimated at U. S. $960,948,534 and of non-taxable property at U. S. $120,832,890. The gradual withdrawal of the American military and naval forces from the Philippines will be followed by a further strengthening of the American military and naval positions in the Hawaiian Islands.

SHANGHAI PROPERTY OWNERS FEAR "CUT RENT" MOVEMENT

THE decision of the Shanghai Waterworks Co. last week to reduce its rates for water is an example of how well-directed agitation can accomplish results. The Shanghai Waterworks Co. was given a clean bill of health as regards its rates by a distinguished American waterworks expert about two years ago but that did not change the fact that a large proportion of the Shanghai community, and particularly the Chinese portion of it, was convinced that the rates were too high, and consequently they carried on a consistent agitation for a reduction in rates, reinforced by a refusal to pay bills—in short conducting a campaign looking towards a reduction in charges, and, as we see, with eventual success. A similar movement is now in progress as regards rents in Shanghai. There is not the least doubt about it that rents are far too high in Shanghai—a fact which was pointed out in an article in *The Review* (March 17) by B. Y. Lee. The land and real estate companies and industries allied therewith are practically the only paying enterprises in Shanghai to-day. Rents have been brought down throughout the world generally in recent years and the time has now come when Shanghai will undoubtedly have to follow suit. The present agitation for rent reduction has not been without its effect on the minds of the property owning class in Shanghai. This was made evident at the meeting of the Shanghai Property Owners Association held March 23 when N. L. Sparke (head of the huge British Shanghai Land Investment Co.), the chairman, noted that "during the last two or three months there has been an organized agitation for the reduction of rents. It is sincerely to he hoped that the authorities will not countenance any movement of professional agitators intimidating tenants. Should the present agitation continue, your Committee are of the opinion that grave consequences will arise." This sentiment was endorsed by such men as A. W. Burkill, head of the Anglo-French Land Investment Co. (which concern camouoflages the ownership of French Roman Catholic property as British so as to avoid the French confiscation laws); H. M. Cumine, of the West End Estates; E. S. Barraclough of the property department of Arnhold & Co., as well as many other property owners present, not omitting a considerable number of lawyers who earn additional revenue by acting for Chinese who because they are not *legal-*

ly entitled to own property, are able to become *real* owners through "dummy" documents filed in the Foreign Consulates. Incidentally a point not to be lost sight of is that several of the largest land-owning families earned their original capital by exploiting the Chinese population in one direction (that is, through the opium trade) and now as landlords they exploit the Chinese population in another direction. Nothing better illustrates the base uses to which extraterrioriality has been put, quite distinct from its original intention, than the use that has been made of it by the landlords. It is no exaggeration to say that the principal beneficiaries of the extraterritorial system to-day are the landlords. Quite plainly the case is that the protection which is accorded to Shanghai by the taxpayers of Europe and America is sold by the landlords in Shanghai, particularly to Chinese tentants, in the form of "protection." Until recent years this protection really was existent, but for all practical purposes it does not exist to-day, although it is a remarkable fact that in the minds of the average Chinese in Shanghai it still exists —and this despite the Japanese onslaught on Hongkew two years ago, and the fact that highway robberies and burglaries are almost daily features of life in the International Settlement to-day. Even in a political sense there is at present no "protection" for Chinese in the International Settlement. With the Chinese courts absolutely in Chinese hands the Chinese Government can at any time lay hands on any Chinese resident it wishes, and no foreign authority of any kind will say it nay.

One of the peculiar features of the Shanghai taxing system, a reflex of its British control, is that *renters* of premises and not owners of land bear the principal burden of taxation. The land owning class at the very beginning of the Settlement's existence saw to it that there should be no change (as against the landlords) in the ratio of taxation between the two classes of residents—a stipulation to this effect being inserted in the Land Regulations. With such a background it is not to be wondered at that the land-owning class with smug assurance will express the opinion that it is to be hoped that the authorities will stop the agitation for lower rents or else there are likely to be grave consequences. We are among those who believe that the principal "grave consequences" of the present agitation to secure cheaper rentals will be that in future dividends of land companies will have to be reduced. The Shanghai Waterworks Co. wisely reduced its rates, and Shanghai landlords will, we believe, be wise to follow suit,—not that there is likely to be looting or rioting as a result of continued high rents, but because more and more tenants will either be unable or will refuse to pay the rents, as has been the case for example, with many on Nanking road.

Asia Life Pays 35 Percent Dividend

The annual meeting of the Asia Life Insurance Company was held March 26. A final dividend of U.S. $1.00 per share was ordered (making 35% for the year). The total profit for the year was $492,661.90.

Rebuilding of the Tien Yi Kuo Library

BY CHIH-BER KWEI, Ph.D. (桂質柏)

(Director, National Central University Library, Nanking)

AFTER a lapse of nearly four hundred years, the Chinese public have once more become interested in one of China's outstanding private libraries—the Tien Yi Kuo Library at Ningpo, Chekiang.

The origin of this library can be traced to Fan Chin, also known as Fan Yao-chin (1506-1585), who graduated as *chin shih* in 1532, and was appointed to be the magistrate of Siu Chou. He then held many high offices in succession, including the post of assistant chancellor of the Board of War. In spite of his various government positions, he was a great lover of books and devoted his spare time to the collection and preservation of ancient volumes. With his available wealth, he purchased the collection of the Feng family, as this collection consisted of many rare works, printed during the Sung and Yuan dynasties. Furthermore, he wrote on the edges of the leaves of each book the date of its arrival. After his death, he willed that the whole collection be given to one of his sons, in order not to scatter its contents.

Judging from the present standpoint, this private library is remarkable in several ways. One feature is that this library contains many rare and valuable books that no other library of its nature may compare. This has been clearly shown by the fact that towards the end of the 18th century Emperor Ch'ien Lung wished to possess every single book known at that time. Hence every person was encouraged to send books to the capital. Under the leadership of Fan Mou-chu, one of the founder's descendants, more than seven hundred kinds of books had been found lacking in the imperial library. As a result, a set of the first printed encyclopedia, the *Tu Shu Chi Cheng*, was presented by the emperor.

Another well-known fact is that the library has been so designed by the founder that no fire could burn all the books. Being fully aware of its possible destruction by fire, the founder surrounded the building with water, excepting a passage to the mainland. Within the building, all the shelves have been placed in such a manner as to allow the largest amount of sunshine and fresh air. It may be said in this connection that when Emperor Ch'ien Lung built the seven imperial library buildings in Peiping, Mukden, Jehol, Yuan Ming Yuan (near Peiping), Chengkiang, Yangchow and Hangchow, much was copied from Fan Chin's idea.

After the death of Emperor Ch'ien Lung, an official of high distinction and an enlightened patron of literature by the name of Yuan Yuan (1764-1849) was the governor of Chekiang. He opened the secrets of this private library by publishing a catalogue which consisted of 4,914 kinds of works in 53,799 chuan. Since then, no student of literature and incunabula would not know this library.

Owing to the Taiping Rebellion, the Chinese Revolution in 1911, and the time, this library suffered heavy losses in the number of books; and the building showed signs of deterioration. With a view to preserving this historical institution, a committee of 103 members has just started a campaign of raising funds for rebuilding the library and for replenishing its contents. The following gentlemen, such as General Chiang Kai-shek, Honorable Wang Ching-wei, Dr. Wang Shih-chieh, Venerable Tsai Yuan-pei, and others, have already signified their hearty approval. If social progress upward is at the expense of man's painstaking efforts, our present library movement is built firmly on the contributions of early scholars and other men of wisdom and influence, who centuries ago created the library technique in China.

Nanking, March 20, 1934.

Hull and Hirota Exchange Friendly Notes---Roosevelt Signs U. S. $500,000,000 Naval Appropriation Bill!

ON Feb. 21 Koki Hirota, Japanese Foreign Minister, sent a note to Cordell Hull, Secretary of State of the United States. Mr. Hull replied to Mr. Hirota's note ten days later, or on March 3. The two notes, however, were not made public until March 21, or approximately three weeks following the exchange, which circumstance naturally caused some speculation, leading to the belief in some quarters that the Japanese hesitated to make public the American reply or had tried to obtain a modification. But regardless of the reason for the delay in publication the two notes were made public on March 21, the occasion being the anniversary of the inauguration of treaty relations between the United States and Japan. The texts of the two notes as issued to the Shanghai newspapers through the official Japanese *Rengo* service were as follows:

KOKI HIROTA'S MESSAGE

"It is a significant fact that ever since Japan and the United States opened their doors to each other exactly 80 years ago the two countries have always maintained a relationship of friendliness and cordiality.

"It is a matter for gratification to both our countries that they produce very few commodities which represent conflicting interests in their foreign trade that each supplies what the other wants, that they are good consumers for each other's products and that they are strengthening their relation of interdependence year after year.

"I firmly believe that viewed in the light of the broad aspect of the situation and studied from all possible angles, no question exists between our two countries that is fundamentally incapable of amicable solution. I do not doubt that all issues pending between the two nations will be settled in a satisfactory manner, when examined with a good understanding on the part of each of the other's position discussed with an open mind and in all frankness, and approached with a spirit of co-operation and conciliation.

"I can state with all emphasis at my command that the Japanese nation makes it its basic principle to collaborate in peace and harmony with all nations and has no intention whatever to provoke and make trouble with any other power. It is the sincere desire of Japan that a most peaceful and friendly relation will be firmly established between her and her great neighbor across the Pacific, the United States. And to this end I have been exerting my best efforts since I took the post of foreign minister.

"I am happy, therefore, to avail myself of the occasion of the arrival in your country of Mr. Saito, the new ambassador, to lay before you, through him, Mr. Secretary, my thoughts as to the necessity of promoting our traditional friendship as above.

" I hope and believe that the desire of the Japanese Government in this respect will be reciprocated by a full support and countenance on the part of your government."

CORDELL HULL'S REPLY

"To His Excellency, the Minister for Foreign Affairs of Japan.

"Mr. Saito, the new ambassador of Japan to the United States, has delivered to me the personal and informal message which you have been so good as to send me.

"The cordial sentiments which you express in this message I highly appreciate and reciprocate. I have not failed to note, with gratification, Your Excellency's effort to foster friendly relations with other Powers.

"In all such effort I am sure that you realise that you may rely upon me for the fullest possible measure of co-operation. You express the opinion that viewed in the light of the broad aspects of the situation and studied from all possible angles no question exists between our two countries that is fundamentally incapable of amicable solution.

"I fully concur with you in that opinion. Further I believe that there are in fact no questions between our two countries which if they be viewed in proper perspective in both countries can with any warrant be regarded as not readily susceptible to adjustment by pacific processes.

"If unhappily there should arise in the future any controversy between our two countries, the American Government will be prepared, as I believe it always has been in the past to examine the position of Japan in a spirit of amity and of desire for peaceful and just settlement, with the confident expection that the Japanese Government will be prepared to examine the position of the United States in the same spirit.

"You refer to the gratifying fact that in the field of trade the interests of our two countries are not in conflict and commercial ties are being constantly strengthened.

"I perceive every reason to anticipate that the United States and Japan will continue to develop their reciprocal trade with benefit to both countries and, where there may be competition, with constant reciprocal goodwill.

"You state emphatically that Japan has no intention whatever to provoke and make trouble with any other Power.

"I receive this statement with special gratification and I am glad to take this opportunity to state categorically that the United States on its part has no desire to create any issues and no intention to initiate any conflict in its relations with other countries.

"In the light of these facts I feel that I should also avail myself of this opportunity to express my earnest hope that it may be possible for all of the countries which have interests in the Far East to approach every question existing or which may arise between or among them in such spirit and manner that these questions may be regulated on resolved with injury to none and with definite and lasting advantage to all.

"I shall of course be glad to receive through the ambassador of Japan to the United States or the ambassador of the United States to Japan any suggestions calculated to maintain and to increase that friendliness and cordiality which have constantly marked since the conclusion of our first treaty the relations between our two countries.

"You may count upon my earnest desire to favor any measure or steps which may be practicable toward this end and toward fostering at the same time relations of peace, goodwill and general benefit among all members of the family of nations."

"Cordell Hull, The United States Secretary of State."

The two notes considered from the standpoint of their actual verbiage contain nothing of importance further than expressions of intention on the part of the two nations to settle outstanding issues in a friendly manner. Mr. Hirota declared that there is no question existing between the two countries that is "fundamentally incapable of amicable solution." Mr. Hull agreed to this and declared, "I believe there are in fact no questions between our two countries, which if they be viewed in proper perspective in both countries, can with any warrant be regarded as not readily susceptible to adjustment by pacific processes." Mr. Hull then went further and said that if "unhappily" any controversy should occur the United States would be willing to examine the position of Japan in a spirit of amity and a desire for just settlement and in consequence he hoped the Japanese government "would be prepared to examine the position of the United States in the same spirit." Mr. Hull then expressed gratification that Mr. Hirota had declared that Japan "has no intention to provoke and make trouble with any other Power," a statement which Mr. Hull "received with gratification," and expressed similar sentiments on behalf of the United States. Following these platitudes, Mr. Hull then made the only significant statement which appeared in the correspondence,

> *"I feel that I should avail myself of this opportunity to express my earnest hope that it may be possible for all the countries which have interests in the Far East to approach every question existing or which may arise between or among them in such spirit and manner that these questions may be regulated or resolved with injury to none and with definite and lasting advantage to all."*

The American Secretary of State then concluded his letter by saying in effect that if Japan had any further suggestions calculated to maintain and increase the friendly relations which had always existed between the two countries, "to please send them along and they would receive careful attention, etc., etc." Aside from the paragraph which we have italicised for emphasis in the foregoing, the two notes meant exactly nothing and in a sense reminded one of two prize-fighters who shake hands and embrace each other prior to a first-class battle. As to the reference to other nations in the italicised parapraph, the significance here is in the suggestion for a future conference of all Powers with interests in the Far East, something which the United States always has considered highly desirable, but which Japan, or at least the Japanese military elements have strenuously opposed, particularly any attempt to link up the Manchurian issue with the question of naval limitation. However, that is bound to come ultimately if the two countries are to avoid a war.

Completely overshadowing the exchange of pleasantries between Hirota and Hull was the announcement from Washington on the same date that Congress had approved and President Roosevelt would sign the U.S. $500,000,000 naval appropriation bill which will enable the United States to construct its navy to full strength in accordance with the Washington and London naval agreements. If there was any significance in the Hirota note professing Japan's peaceful intentions in the Far East it may have been in this connection, for the Japanese note was sent to Washington on Feb. 21 when the naval appropriation bill was under consideration in Congress. Considered from this standpoint the Hirota note may be classed as a phase of Japan's "adroit" diplomacy designed to ham-string the Administration's effort to build the navy up to full treaty strength. Knowing that there is strong pacifist sentiment in the United States, it is altogether possible that Hirota thought he saw an opportunity to throw a monkey wrench into President Roosevelt's naval plans. But if this was Hirota's idea, it was doomed to complete failure for according to report from Washington the Senate passed the conference naval bill almost unanimously, and since this constituted America's most emphatic reply to Japan's policy of treaty violation and threat to demand naval parity in the 1935 conference, the Hirota-Hull exchange of notes may be dismissed as of little or no consequence in the face of far more significant developments.

A further element which may have inspired the Hirota note was the widespread publication in the United States during January of the magazine articles written by Admiral Nobumasa Suetsuga, commander-in-chief of the Japanese fleet, wherein he depicted the defeat of the American Navy by Japan. The Suetsuga articles caused a considerable stir in the Untied States and probably had a considerable effect in causing Congress to speed up action on the naval appropriation bill. As soon as Hirota learned of the American reaction to the articles by Admiral Suetsuga he rushed over to the Navy Department in Tokyo and finally succeeded in inducing Suetsuga to "disavow" the articles, alleging they had been written by some newspaperman and approved by some minor secretary in the Navy Department. However, the damage already had been done, hence Hirota in all probability may have then decided to send his note to Washington in the hope of allaying American suspicions of Japan's real intentions. There was an amusing incident in Tokyo in connection with Hirota's visit to the Navy Department which has an invariable rule that all visitors must register and state their business to an officer stationed at the door of the building. Hirota, the Foreign Minister, in his hurry to see the Navy Minister rushed past the registration officer at the door and was well inside the corridor before the guards on duty seized him and expelled him from the building. It took considerable effort on the part of the attendants to soothe Hirota's ruffled feelings and patch up the incident.

The Japanese, doubtless, hope that the exchange of notes may pave the way for further negotiations on vital issues directly affecting their relations with the United States, but unless the Japanese are prepared to make radical alternation of policies which have characterized their activities in Asia in the past three years there is little hope of any success in this direction. The chief problems adversely affecting the relations of Japan and America are:

1—Naval limitation as established by the Washington and London Agreements.
2—America's attitude on the Manchurian issue in 1931 and continued refusal on the part of the United States to recognize the puppet state of Manchukuo.
3—American activities in China, particularly the assistance extended by American commercial interests to the Chinese Government in the development of aviation projects.
4—Arbitrary restriction of Japanese immigration into the United States.
5—American objection to Japan's virtual annexation and fortification of the South Seas Islands now held by Japan under mandate from the League.

The Japanese realize that the United States is not prepared to agree to Japan's demand for naval parity at the forthcoming naval conference and they realize equally well that even if America and Great Britain should agree to Japanese parity, that Japan is in no financial position to enter into a race in warship construction. Since the Japanese realize the weakness of their position on these points and know fully well that they are bound to fail in their demands, they are, doubtless, telling officials of the State Department that the American Government should therefore make concessions on some of the other points. In other words, Mr. Hirota's "adroit" diplomatic agents in the United States are probably telling officials of the State Department that since America will not make concessions on the naval parity issue, that America should recognize Manchukuo, admit the Japanese into the United States on a quota basis similar to the treatment accorded to various European nations and in addition discontinue certain activities in China which are objectionable to Japan. In this connection the Japanese foreign office officials are probably saying that the Japanese military elements had their hearts set on naval parity, hence, unless concessions are made on some of the other points particularly the recognition of Manchukuo that the Japanese warlords may again "run amok" and start another war in Asia. This, in all probability, constitutes the crux or pivotal point of Japan's present diplomatic drive to break down American and world opposition to Japan's present policies in Asia. In other words Hirota is now trying to get Japan out of the mess created by her warlords, but in making this effort Japan has no intention of making any concessions on points which her military leaders regard as essential. Japan is determined to hold her present gains in Manchuria and even increase them by further aggression in both China and Russia, but she is willing to trade on other issues which are not regarded as essential. Japan is therefore somewhat in the position of a gangster who has acquired a large stock of loot, but who would be willing to make certain concessions in order to have his position in society legalized. The Japanese are very unhappy in their present position of isolation and would like to re-establish their position as a member of world society in good standing, in which connection they would be quite willing to negotiate arbitration pacts, exchange good-will messages and make promises regarding their good behavior in future, but always with the reservation that past misdeeds be forgotten!

This is about all there is to the tempest in a teapot which has been stirred up over the world by the Hirota-Hull exchange of pleasantries. Obviously the United States cannot make concessions on policies which have constituted the key-stone of American diplomacy since the very beginning of her national life. As a result of widespread Japanese propaganda, plus the propaganda of certain imperialistic interests in Europe which are in sympathy with the Japanese position in Manchuria and elsewhere, the impression has been created in certain cirles in China that the present Roosevelt administration is on the point of throwing overboard the so-called Hoover-Stimson doctrine of non-recognition of territories acquired by force in violation of existing treaties. But nothing could be further from the truth for the scrapping of this policy would immediately cause a reversion to the old policies of force and aggression and a negation of everything which has been done in the past half-century in the creation of a new and better world order. Also it would constitue an act of bad faith with all of the other nations of the world, including those associated with the League in its action on the Manchurian issue, not to mention those which were concerned in the Nine-Power Washington treaty and the Kellogg Anti-War Pact, The decision to build the navy up to full treaty strength constitutes an unmistakable indication that the United States intends to stand by its policies and defend its positon on the treaties, a fact which was frequently mentioned in the debates in Congress when the naval bill was under consideration. That the Japanese realize the essential facts in this situation is indicated in their present "adroit" efforts to improve their relations with the American people by assuring them that Japan "has no intention to provoke or make trouble with any other Power." Mr. Hull naturally expressed gratification at this Japanese declaration, but because of what has occurred in Asia in the past three years the United States Government at the same time is taking no further chances on possible future discrepancies which may develop between the statements of Japanese diplomats and the action of Japanese warlords!

An important point which China's intellectuals such as those connected with the Institute of International Affairs who sent a message of protest to the United States as a result of the Hirota-Hull notes, should keep in mind is that the American Government desires most sincerely to avoid a war in the Orient and is striving to keep the situation within the realm of diplomatic discussion leading in the direction of a conference which would include all of the Powers that participated in the Washington Conference in 1922 with the addition of the Soviet Union and also possibly Germany. In order to hold such a conference it is necessary for all of the countries to participate voluntarily otherwise the meeting would be foreordained to failure. Since there now appears to be some possibility that the civilian elements in the Japanese Government may again come forward after three years of suppression by their warlords, it is possible that officials of the State Department hoped through the exchange of the Hirota-Hull notes to strengthen their hands. It should be obvious to all thinking Chinese that the American people regardless of their deep sympathies are not likely to go to war with Japan purely in order to restore Manchuria to China. If the United

States should ever go to war with Japan it would be due to the feeling in the United States that, Japan's militaristic policies in Asia plus Japan's disregard of treaties and generally lawless attitude constituted a menace to the security of the United States. When the American people finally reach that mental attitude there will be war. But in the meantime every possible diplomatic measure, short of a complete abrogation of established fundamental principles, will be resorted to in the effort to preserve peace and strengthen peaceful elements in Japan.

The Japanese in the last two or three years have made an important point of their position of leadership or hegemony in the Far East, demanding that this position should be recognized in the form of a "Monroe Doctrine" or otherwise. As a matter of fact Japan's dominant position in Asia was recognized by America and Britain and the other Powers at the Washington Conference when they agreed to discontinue their fortifications at Guam, Manila and at Hongkong. But while recognizing Japan's predominant position, the Powers also demanded that Japan live up to her responsibilities as a law-abiding member of the family of nations. The Japanese Government, despite the promises of their delegates at the Washington Conference, have not lived up to their promises, or in other words they have not "played the game." Japan has violated the pledged word of her delegates and has embarked on a campaign of aggression at the expense of a neighboring state which also participated in the same conference, and worse, has defied the whole world to interfere with her lawless acts. This is the real issue in the present controversy, hence the decision of the American Government to build its fleet up to the full limit of the treaty and to adopt other protective measures necessary in the circumstances. If the Hirota note was an indication that Japan is now preparing to rectify past misdeeds, all well and good, but as stated in the foregoing the best indication of America's real feelings is exemplified in the fundamental decision to build her fleet up to the full limit of the treaty.

Koki Hirota and Japan's "Black Dragon" Diplomacy

OF the seventy or eighty so-called patriotic societies or secret organizations of Japan which profess patriotism as a chief objective none is so powerful as the Black Dragon Society which interests itself chiefly in the relations of China and Japan. The organization has numerous names or aliases, being also known as the Kokuryukai or Amur Fraternity, the Genyosha or Black Sea Society, the "China Wave Men," and so on. Another organization known as the Dai Nippon Seisanto, or Japan Production Society, is supposed to be a close affiliate of the Black Dragons. It was this organization which sponsored a pamphlet widely distributed among newspaper editors in the United States late last year which warned the American people to "keep their hands off the Manchurian and China problems and impose implicit confidence in Japan," otherwise some unpleasant and unfavorable things might happen in the western Pacific.

There is special interest in the activities of the Black Dragons at this time because they constitute the chief political backing of Koki Hirota, present Japanese foreign minister, in his diplomatic dealings with China. Hirota for many years has been an honored member of the Black Dragons and is a close friend of Mitsuro Toyama popularly known as the undisputed boss of the ronin or political gangsters who believe and practice direct action or even assasination in the accomplishment of their objectives. Toyama is so powerful that no Japanese policeman or gendarme may enter his home although it may be known that he is harboring political or criminal refugees therein. Sterling Fisher, Jr., an American journalist who spent several years in Japan declared in the course of an article which appeared in *Current History* for February that "because Toyama has been a friend of Koki Hirota since the latter's boyhood, the present government in Japan is likely to be freer from ronin pressure than any other in recent years."

The word "ronin" which may have some relation to the French word "ronyon," means in Japanese an outcast or outlaw who has adopted patriotism as a profession. In feudal times it meant a samurai who had renounced his clan or who had been discharged or ostracised for some reason and thus had become a wanderer. The term "China Wave Men," one of the aliases of the Black Dragon Society, carries a somewhat similar meaning, that is, irresponsible men carried on the waves. In the present abnormal political situation prevailing in Japan the ronin in general, but particularly those affiliated with the Black Dragons might be regarded as an unofficial secret service or department of justice which keeps watch over the nation's prestige and holds out the threat of direct action or even death against those suspected of being responsible for impairing Japan's dignity or blocking some special policy or program. Recently a high Japanese official concerned in Sino-Japanese diplomatic negotiations was suspected of adopting a too conciliatory attitude in dealings with the Chinese. While attending a public function someone threw a "dudd" bomb which struck the Japanese official. An official statement was issued placing the blame on a Korean who allegedly had escaped, but privately it was whispered that the real culprit was a member of the Black Dragons who had been sent to China for the purpose of checking up on the offending official.

The Black Dragon Society as now constituted was organized in 1901 but it claims historical connections with the secret societies which allegedly had considerable to do with the Meiji restoration in 1867 or even with the famous "Forty-seven ronin of Ako" who avenged the death of their lord in ancient feudal times by committing harakari or suicide by ripping open the bowels with a short sword. The Japanese name for the society, "Kukuryukai," refers to the Heilungkiang or Amur river which provides a border between the Japanese puppet state of Manchukuo and Soviet Siberia. Its original purpose was to prepare Japan for the war with Russia which broke out in 1904, its members then largely composed of young men in the Japanese diplomatic corps argued that the Amur river should constitute the center of Japan's military activities against Russia. Later on the society worked for the annexation of Korea and still later was intimately concerned with the presentation of the notorious Twenty-One Demands upon China in 1915. According to a recent article by Taketora Ogata, chief editor of the *Tokyo Asahi*, the Twenty-One Demands actually were written by Koki Hirota who at that time was a member of the political affairs bureau of the Foreign Office under Minister Count Kato.

Koki Hirota, Japanese Foreign Minister, Whose "Black Dragon" Type of Diplomacy Is Discussed in the Accompanying Article.

Since the so-called Mukden "incident" of September 18, 1931 and ensuing Japanese military intervention and occupation of Manchuria was a continuation of the policy symbolized in the Twenty-One Demands it is obvious that the Black Dragons had a hand in it. Doihara the Japanese military adventurer and Komei the political spy who were concerned in the Mukden incident, the setting up of the puppet state at Changchun and the spiriting of the Manchu "boy-emperor" Pu Yi from Tientsin to Manchuria are both honored members of the Black Dragons. Doihara has since been advanced in rank and is now attached to the general affairs department of the Japanese general staff in Manchukuo. Komei was elevated to the honorable position of privy councillor to the "independent" state of Manchukuo, but later was demoted and withdrawn to Japan because he became indiscreet and wrote an article in which he boasted of his accomplishments in putting over the independent state and inciting the original intervention. Doihara once lost considerable face because of the scandal involving General Ma Chan-shan, the Chinese commander who made a stand against the Japanese at the Nonni river bridge. Following General Ma's defeat, Doihara got in touch with him and by paying Ma a million yen induced him to join the Manchukuo regime as minister of war. But after General Ma got his hands on the million yen he returned to his original post at Taheiho on the Amur where he issued a statement exposing the Japanese intrigue and declaring his continued allegience to China. General Ma was ultimately defeated and forced to seek refuge in the Soviet Union whence he returned to China and has been residing in Tientsin where someone recently attempted to assassinate him.

Aside from Mitsuro Toyama, popularly known as the "undisputed boss" of the ronin and personal friend and supporter of Hirota, there are four other outstanding Black Dragon leaders, Ryohei Uchida the president of the "Kokuryukai," and also of the "Dai Nippon Seisanto," Umpei Ogawa and Yusugoro Sasaki who is known as the "King of Mongolia" because of his intrigue in that quarter. The latest addition is Nissho Inouye, the priest who is supposed to have supplied the spiritual inspiration for the assassins responsible for the murders of Premier Inoue and Baron Dan on May 15, 1932 and the so-called "Meiji shrine prayer meeting" conspiracy on July 11 of last year. Priest Inouye confessed at his trial that he had been a Black Dragon spy in Manchuria for two years. Since the original organization of the Black Dragons a third of a century ago the members have concentrated their thoughts and activities on the annexation of Manchuria to the

Imperial Japanese Empire and the consolidation of Japan's power in China and the Far East. The source of their financial supplies is generally supposed to be the special military intelligence or secret fund, which, according to recent disclosures in the Diet now amounts to more than 7,000,000 yen annually. Now, however, since the present foreign minister, Koki Hirota, also is a member in good standing of the Black Dragons the society probably also has access to the secret funds in the foreign office which amount to about 2,500,000 yen annually. Other secret funds also are available in the appropriations for the administrations in Korea and the Kwantung Leased Territory. But recently it was disclosed in the Japanese radical papers that the Black Dragons have considerably augmented their financial resources by engaging in the morphine and heroin traffic in Manchuria, north China and Mongolia and also the Japanese brothel or "white-slave" traffic in Manchuria where the inmates are almost entirely Japanese or Korean women. Practically every town and village in Manchuria, even such out-of-the-way places as Hailar and Manchouli in the far north near the Siberian border has its "yoshiwara" or red light district filled with these female Japanese "expansionists."

The paid agents of the Black Dragon Society are to be found all over the Chinese landscape and occasionally some of them get into complications with the Chinese and are murdered, thus providing "incidents" for the foreign office and military authorities to exploit. Two years ago the agent of an American automobile concern was kidnapped and murdered by Chinese bandits while traveling in Shensi province. Traveling with the motor car agent at the time was a Japanese spy who had been arrested in western Kansu for intriguing with the Chinese Mohammedans. The Japanese spy was being sent out of the territory and happened to be in the same car with the American when the bandits appeared. Whether the alleged bandits were after the Japanese spy or a considerable sum of money which the motor-car agent was transporting to Hankow probably will never be known for both were murdered and their bodies destroyed. Captain Nakamura, the Japanese secret service agent who was murdered by the Chinese in Mongolia prior to the Mukden incident in 1931, and in whose effects was found a large quantity of heroin, was generally supposed to be an emissary of the Black Dragons. The Japanese military authorities used this incident in their propaganda to discredit the "weak" policies of the Wakatsuka Ministry and thus paved the way for intervention. These agents of the Black Dragons found in practically all Chinese cities play the parts of clerks, commercial travelers, farmers, pilgrims, priests, hawkers, dentists and barbers. One of them, a former dentist who acquired proficiency in the Chinese spoken and written language, is now a high official in the Manchukuo foreign office at Changchun. The demand for Chinese-speaking Japanese officials in the staffing of the Manchukuo regime has provided lucrative jobs for innumerable Black Dragon secret agents who in their previous occupations may have played a much different role. The Tung-Wen Institute, a Japanese school located in the outskirts of Shanghai where young Japanese are instructed in the Chinese language, customs and history, is popularly supposed to provide recruits for the spy service. During summer vacations these students dress in Chinese clothes and make trips all over China, allegedly for the purpose of making maps and reporting on political and military conditions. Recently some of these students who had been in the Chinese "red" areas in Kiangsi province had themselves allegedly become afflicted with red virus and were arrested by the Japanese authorities and sent home to Japan for police investigation. Whenever these secret agents discover anvthing of importance an officer of the General Staff follows up the report and makes an investigation. In September, 1933 two Japanese officers in civilian clothes who were on their way to investigate conditions in Sinkiang or Chinese Turkestan were detained by the Chinese authorites in Lanchow, Kansu province. They had chartered a plane belonging to the Chinese government Eurasia Aviation Corporation and were accompanied by a high Chinese miltary officer. This incident naturally created the suspicion that the Black Dragons also employ Chinese emisaries for jobs where it might be too dangerous or delicate for Japanese to involve themselves.

The Black Dragon Society has been involved so frequently and extensively in espionage and political intrigue in China that the organization probably sometimes receives credit for activities with which it had no connection. Also it may be suspected that members of the society on occasion have boasted of activities or accomplishments for the purpose of enhancing their own prestige. For example Yoshihisa Kuzuu, general secretary of the Kokuryukai, in the course of an interview which appeared in the *Japan Advertiser* (Tokyo) on February 17 claimed the organization had assisted the late Dr. Sun Yat-sen in the Chinese 1911 revolution and later on had opposed Yuan Shih-kai's monarchical ambitions, but whether there is any foundation for this statement is not known. The interview appeared in the *Japan Advertiser* at a time when the reactionary organizations were under severe censure in the Diet, the charge being made that the Japanese newspapers were being intimidated not to criticise the activities of the reactionary groups and while the police were active in suppressing radical groups suspected of harboring "dangerous thoughts" or communism there had been no move to interfere with the reactionary groups which had been responsible for a long list of political murders. Mr. Kuzuu claimed that the name of the Black Dragon Society had been tarnished because common ruffians involved in acts of violence often told the police they were members of the society in order to escape punishment. He declared however, that the society was not disturbed because of criticism in the Diet or elsewhere because the organization's real objectives were "justice and righteousness." Mr. Kuzuu then took occasion to praise the action of Yosuke Matsuoka for his accomplishments at Geneva when the Manchurian issue was under consideration of the League and particularly Mr. Matsuoka's later action in resigning his party affiliations as a protest against political corruption. He declared that the Seiyukai and Minseito parties were corrupt and "must rid themselves of impure elements, particularly their financial supporters." He said that any upright statesman who remained a member of a political party was comparable to a man who remained in a house of lepers for while he may claim he is not a leper no one would believe him so long as he continued to associate with lepers. The existing political parties in Japan in Mr. Kuzuu's opinion will have to be dissolved when the reforms of the Showa period are accomplished just as the feudal system was abolished several years after the accomplishment of the Meiji Restoration. In conclusion Mr. Kuzuu admitted that agents of the Black Dragons were active in all parts of Manchuria and China and declared that a chief objective of the society in the foreign affairs of Japan "was to advance the cause of Asiatic races in world affairs." The so-called Pan-Asiatic Congress composed of representatives of various Asiatic countries (excepting China and the Philippines) which met under Japanese auspices in Dairen early in the present year was fostered by the Black Dragons.

But there was one activity attributed to members of the Black Dragon Society which Mr. Kuzuu took special pains to deny. He declared that the organization had no connection whatever with certain Japanese individuals in Shanghai who had been blackmailing the management of the Japanese cotton mills in this city. He claimed that this particular job had been perpetrated by imposters who claimed they were members of the Kokuryukai in financial distress. As to the "God-Sent Troop" incidents in Japan in July of last year involving an attempted insurrection somewhat similar to the May 15, 1932 assassinations, Mr. Kuzuu disclaimed any connection on the part of the society despite the fact that certain of its "reckless members in an excited moment had claimed the incident involved the principles of the Kokuryukai."

Since the activities of the organization are conducted in secret and often are shrouded in mystic ritual of a feudalistic character such as the signing of documents in human blood and such activities, little is known of its actual methods in the furtherance of Japan's political and military ambitions on the Asiatic continent. The so-called "Tanaka Memorial," or outline of Japan's program for world conquest which created a considerable stir at one of the sessions of the Institute of Pacific Relations four or five years ago was supposed to have been the work of the Black Dragons and allegedly was written by none other than the present Japanese foreign minister. But whether this is correct is not known. It is known however, that Hirota wrote the Twenty-One Demands which were concerned with the consolidation of Japan's military and economic interests in Manchuria and in the cementing of Japan's relations with China through an alliance with the Anfu clique of Chinese militarists and politicians who controlled the old Peking Government during the years of the World War. That Hirota's views regarding Japanese policy toward both Manchuria and China have not changed was indicated in his recent statements in the Imperial Diet to the effect that a sound development of Manchukuo "will serve to promote the well-being of both Asia and the whole world and that this must constitute the very basis of Japan's diplomacy in the years to come." As a means of heading off any serious clash with other countries such as the United States and the Soviet Union which might be disastrous to the Japanese program in Asia, Mr. Hirota has been responsible for the coinage of the term "adroit diplomacy," which might be interpreted to mean that Japan intends to hang on to her present gains in Manchuria and the South Seas islands while side-stepping if possible any serious clash with other powers which might interfere with Japan's program. Taketora Ogata, editor of the *Tokyo Asahi,* in the course of an article dealing with Hirota's policies which appeared in the March issue of *Contemporary Japan* expressed apprehension that Hirota's connection with the Black Dragon Society and its activities "might cause him to be suspected of dangerous and daring scheming in the accomplishment of his ambitions," but Mr. Ogata expressed the belief that Hirota's long experience abroad and his study of "Zen" Buddhism probably had had the effect of tempering his attitude. But there is no questioning Hirota's belief that Japan's position in Manchukuo will ultimately have the effect of forcing China into a military and economic alliance with Japan along the lines of the oft-mentioned "Japan-Manchukuo-China Bloc."

As mentioned in the foregoing the Black Dragons sometimes depart from their concentration on Japan's Asiatic program to turn their attention to international affairs. An example of this was in September, 1933 when the society broadcasted a pamphlet to newspaper editors in the United States warning the Americans to cease "meddling" in Asia. This pamphlet was entitled "An Appeal to the American Government and People on the Pending Questions between the United States and Japan." It was written allegedly by Ryohei Uchida, president of the society and also of the subsidiary organization, the Dai Nippon Seisanto or Production Society. The pamphlet contained numerous startling statements such as that quoted in the foregoing that the United States "should keep its hands off the Manchurian and Chines problems and should place implicit confidence in Japan."

Recent frequent charges in Japan that the United States has a secret treaty with China for the furtherance of Chinese aviation have originated with the Black Dragon society which has charged that the U. S. $50,000,000 cotton and wheat loan was being used by Gen. Chiang Kai-shek for the financing of China's five year military aviation program. In this connection Uchida, the writer of the pamphlet charged, "Is America simple enough to think that proceeds from the so-called business loan to China will be used for the specially designated purposes? It is common knowledge that all loans to China under whatever title they were granted, have been invariably appropriated by the Chinese warlords for the prosecution of their private strife. It is beyond our comprehension what motives actuate America in trying to meddle with Japan when Japan's actions are dictated by the absolute necessity for the execution of her mission . . American assistance to China will never help China to put her house in order but will aggravate civil strife on the one hand and promote anti-Japanese agitation on the other If America, shuts her eyes to these facts and persists in extending assistance to China in the form of loans or otherwise, it may be suspected that she has an ulterior motive, that is, penetration of the Far East at the expense of Japan. . . ."

With reference to the question of naval limitation and Japan's contemplated demand for parity, Uchida the spokesman of the Black Dragons declared in his pamphlet that "Japan in 1936 will not be what she has been, as may be seen from her attitude toward the League and also from the wave of indignation which swept over the nation after the conclusion of the London naval treaty. If America persists in her vigorous policy toward the Far East without paying any regard to the special position enjoyed by Japan in this part of the world, which was already recognized by Washington years ago, prospects of the relationship between Japan and America will be anything but bright." In conclusion Uchida demanded that Japan should be left alone to undertake the maintenance of peace and order in Asia and that the world should be divided into three spheres under American, European and Japanese "Monroe Doctrines."

Sterling Fisher, Jr., whose recent articles on Japan have appeared in various American magazines, said in the course of an article in the Jan. 7 *New York Times Magazine* that Hirota was born at Fukuoka on Kyushu island which allegedly produced the fifty-five leaders who restored the Emperor to power and started Japan on her climb to the rank of a first-rate power. When he was a youth in school he became affiliated with the most notorious of the patriotic bands, the Genyosha—Black Sea Society—because his family had received assistance from its leader Mitsuro Toyama, who at the age of 78 is the head of the secret and powerful Black Dragon Society, the greatest force among the reactionaries! It was as a direct result of these associations that Hirota as a youth was intimately concerned with the stirring events of the Sino-Japanese and Russo-Japanese wars. As a student at the Imperial University at Tokyo he associated with young men preparing for the diplomatic service and thus decided upon a similar career. His first assignment was a minor clerkship in the Japanese consulate in Seoul, Korea from which post he was transfered to the Japanese Legation at Peiping. Later he served in Washington, London, the Hague and Moscow, but always he kept in close contact with the Black Dragons and Japan's policies toward the Asiatic continent, looking upon each post as an intermediate step toward the accomplishment of his and the Black Dragon Society's ultimate ambition the establishment of Japan's control of the Asiatic continent and the utilization of its resources in man-power nd materials for world domination.

U. S. Silver Expert to Be Sent to Japan

It is reported from Washington that K. M. Bratte , an expert on silver matters, will be sent by the United States Department of Commerce to Tokyo to make a study of the financial stuation in Japan.

Slight revisions of the reservation to the London Silver Agreement were passed at a session of the Legislative Yuan last week in occordance with directions from the Central Political Council.

President Carlos Mendieta of Cuba signed a decree at Havana Mar. 24 providing for the coinage of $10,000,000 in silver and the issuance of $10,000,000 worth of silver certificates against the currency authorized.

Chinese Government to Increase Export Tax on Silver

According to information from local banking circles the Chinese Government is planning to increase the export duty on silver. Possibly the present rate will be doubled, that is 5 per cent instead of 2.5 per cent. The date for the enforcement of the increased duty has not yet been decided.

A decision was reached by the Hunan Provincial Government March 9 to place a restriction on the export of silver dollars from the province. According to the new regulations, a license must be obtained from the Provincial Department of Finance when silver exceeding the value of $500 is exported from the province. For every $1,000 exported, a license fee of $10 will be collected.

Strike at Kailan Mines Continues---Japanese Stand By

The strike of the Kailan coal mine workers at Tangshan continues. Japanese gendarmes stood guard while the strikers formed a union Mar. 23. It is believed (says the Shanghai *Chen Pao*) that the strike has its political background, as cerain quarters wish to substitute for the Kailan coal the product of the coal mines at Peipiao in Liaoning.

The Hopei Provincial Government and the Bureau of Public Safety at Tangshan have been instructed by the Peiping authorities to jointly devise measures for the amicable settlement of the strike at the Kailan Mines. A special mediation office will shortly be established at Tangshan to mediate. Tao Shang-ming, Special Commissioner for the Supervision of Administration in the Luanchow-Shanhaikwan Area, will be made mediation director.

Fifty British soldiers from the Chinwangtao garrison have been sent to Tangshan.

Martial Law Declared at Tsingtao

Martial law has been enforced in Tsingtao, following discovery by officers of the Public Safety Bureau there of an alleged plot to stage major disturbances. This followed reports that Manchukuo agents, bad arrived in the city with a view to creating trouble. A riot was narrowly averted on the night of March 21 with the arrest of about 80 suspects by the Tsingtao authorities. General Shih Yu-shan, deposed North China warlord, who was blamed for the Tientsin troubles, is prominently mentioned as the leader of the "traitors." He is stated to be attempting to smuggle into Tsingtao some 1000 armed men in an attempt to create major disturbances. The City Government of Tsingtao has telegraphed Admiral Shen Hung-lih, mayor of the city, to return immediately from Hankow and handle the situation there.

Communists Again Active on Many Fronts---Nanking-Canton Rapprochement Nearing

THE "RED" menace, which remained dormant for a while during the New Year Season, has again come to the fore in the situation of the country, judging from a review of the events of the week past. While Gen. Chiang Kai-shek is still perfecting his preparations for another "final drive" scheduled to be opened on April 1, the Communists have apparently stolen a march on the Generalissimo by by taking the initiative in various places. Sporadic Communist outbreaks in Kiangsi, Szechuan, Hunan, Fukien and Hupeh during the past few weeks have kept the Government troops busy and are causing fresh anxieties to both the authorities and the populace in the affected areas. Perhaps, the most concerned of all in the present Communist flare-up is none other than Marshal Chang Hsueh-liang, as a large Communist force is directly threatening Hankow where the Young Marshal has just been proclaimed Deputy Commander-in-Chief of the Government Communist Suppression Forces in Central China. In view of this menace, the Young Marshal will have to be up and doing if he would ward off the "Red" invaders. If he weakens in meeting the emergency, he will again be exposed to the odium of pursuing a policy of non-resistance which is likely to be intolerable on this side of the Great Wall.

The Tibetan situation is easier, but the Yunnan trouble is growing serious. Dispatches from Yunnan allege that the British may have ulterior motives in their innocent search for gold in Yunnan hills.

Liu Kwei-tang's rovering activities have assumed grave proportions in Shantung, as a consequence of which Gen. Han Fu-chu, the Shantung Chairman, had to order the suspension of the schedule of night trains in the Shantung section of the Tientsin-Pukow Line in fear of hold-ups by Liu's robber bands.

Relations between Canton and Nanking are showing remarkable improvement, thanks to the efforts of the emissaries of both sides. There is a report in the air that Canton is considering abolition of the two Southwest independent organs, as is demanded by Nanking.

Fresh troubles of international connotation are brewing in Sinkiang where the embers of the prolonged civil war between two rival militarists are still smouldering. While the British intrigue with the native tribesmen to set up an independent Government at Kashgar has failed with the complete collapse of the rebel regime, a Japanese element has been introduced into the situation. Abdul Kermin, an exiled Turkish prince in Japan, assured of Japanese support, has recently gone from Shanghai to Sinkiang to foment troubles there which he hopes will eventually lead to the establishment of a puppet Government in Sinkiang as a protege of Japan.

Of considerable political significance is the report that Generals Chiang Kai-shek and Huang Fu will go to Chekiang early next month on the occasion of the Chinese festival, Chin Ming. It seems likely that the two leaders will take advantage of this opportunity for a conference on the Japanese issues in North China.

Gen. Chiang to Stage Another Red Drive

General Chiang Kai-shek has announced from his Field-Headquarters at Nanchang that a final drive against the Communists in Central China with a time limit of three months will be launched early in April. For the purpose of devising measures to realize this project, Gen. Chiang is calling a military conference at Nanchang of high officers of the five columns of the Government Army engaged in Communist suppression, at which details for the campaign will be decided upon and put into execution. The Communists in recent weeks have been unusually active in Central China provinces and along the Yangtsze. According to a Nanking report March 25, the Communist Army has been completely reorganized by order of the "China Soviet Government" at Juichin, Kiangsi. The whole Communist force is now being divided into ten Army corps with Chu Teh, Ho Lung, Peng Teh-huai, Kwang Chi-hsun, Chi Chen-tang, Lo Ping-huei and four others as Commanders. In addition to these, there is a garrison division for the protection of the "Soviet Capital of Juikin" with Mao Cheh-tung as Commander. According to a Communist circular recently received by the *Review*, the Communists held their Second Soviet Congress of China at the "Red Capital" during Jan. 22-27 this year. Among other things, the Congress, said the circular, noted with great satisfaction the startling success of the Soviets in Szechuen and Shensi.

A "Red" detachment under Hsiao Ko and Kao Yung-sheng attacked the Government troops at Juichang, 30 miles west of Kiukiang in middle of March, but they were defeated and forced to retreat to Kiangsi-Hupeh border. The *North China Daily News* reporting on March 23 stated that Communists seemed to have succeeded in breaking through the Government troops and reaching the Yangtsze at Kingkao, 50 miles above Kiukiang. The report was based upon information from shipping circles, but has not been confirmed. Telegrams from Canton report that Kwangtung troops have scored several victories over the Communists in Kiangsi and killed 300 Communist soldiers in one engagement at Chinchi and Sanktung, in Kiangsi on March 22. Gen. Chen Chi-tang has ordered the capture within 10 days of Chunmenling, 33 miles south of Kweichang, important "Red" stronghold in south-eastern Kiangsi. Operations against the said city are in progress. Remnants of the Reds in the Anyuen district of Kiangsi have already been wiped out by the Kwangtung forces.

Pressed by the Government troops in Kiangsi and from Kwangtung, the Communists are attempting to penetrate into Chekiang, Fukien and Hupeh and Hupnan. Chuchuan, a town in Western Chekiang, was attacked and captured by a Communist force on March 22, but was recovered by the Government troops on March 25 after a day of severe fighting. A force of 2,000 Red troops also set upon Yentsun and Wangfan on Kiangsi-Chekiang border, but failed to capture the two cities.

The Red menace in Hupeh is more serious. The *North China Daily News* correspondent reported from Hankow on March 21 that 34th and 82nd Brigades of Government troops have suffered a severe defeat at the hands of the Reds in the sector between Hwangan—Siaokan and Hwangmei. In the course of the fighting two Brigadier-Generals were taken prisoners. This defeat is directly threatening Hankow which is once more exposed to Communist attack. Marshal Chang Hsueh-liang has been busily engaged in making plans for the suppression of the Reds in the three places, which are expected to be put into execution shortly. Marshal Chang is said to be coming to Shanghai end of the month to meet Madame Chang who is returning to China from England early in April. A later report from Hankow by the *Chekiai* Agency states that he has abandoned his intention of making the trip because of the pressure of his duties at Hankow.

Communist troops under Ho Lung are overrunning Western Hunan. Ho has a force of 3,000 strong and their ravaging activities have been keeping the Hunan provincial troops busy for the last two weeks. Gen. Ho Chien, Hunan Chairman, declared that more than 3,000 Red troops under Hsiao Ko and Kao Yung-sheng have recently been killed by the Government troops along the Kiangsi-Hupeh-Hunan border. In order to eradicate the Red menace in Hunan, he has ordered two full divisions of troops to continue the hunt for the scattered marauders.

The remnant "Red" bandits at Tsianglo and Wanan, Northern Fukien, have been completely suppressed by the 88th and 89th Divisions of the Government Army in Fukien, according to a Foochow dispatch. The "Reds" are fleeing toward Ninghua and Changting (Tingchow), "Red" strongholds in Western Fukien. Taining, a "red" lair in northwestern Fukien, 65 miles west of Yenping was reported to be captured by the Government troops March 20. While a large portion of the "Reds" has been disarmed, the remaining 2,000 have fled to Kienning, 27 miles from Taining. The vanguards of the Government troops in Western Fukien have reached Liencheng and fighting is expected to break out there immediately. Liencheng and Changting are the only two principal "Red" strongholds in Western Fukien. Gen. Chiang Ting-wen, Commander-in-Chief of the East Route Bandit Suppression forces, who will shortly remove his Headquarters from Amoy to Changchow, has issued an order to the Government troops to recapture Liencheng from the Communists within this month and Changting early in April. Gen. Chiang is leaving for Lungyen to direct operations in person.

The various armies in Szehuan are making progress in their campaign against the Communists in that province. Mumen, a strategic pass near Nankiang, "Red" stronghold in Northern Szechuan, has been captured by the troops of Gen. Teng Hsi-hou. The 3rd Route Army under Gen. Li Chi-hsiang has occupied Pachung City, another "Red" lair in Northern Szechuen; and the 5th Route Army under Gen. Tang Shih-tsun has recovered Yangliuping and three other cities. The 2nd Route Army under Gen. Tien Sung Yao has reached a point between Mumen and Pachung, while the 4th Route Army under Gen. Yang Sen is crossing the Pa River. The main "Red" forces are now concentrating between Tungkiang in Northern Szechuan and Yisiu, where they are engaging the 5th Route Army. The various Route Armies are expected to converge on at Tungkiang and Nankiang shortly which are the only three important strongholds held by the Red force in Northern Szechuen. Szechuan airplanes are assisting in the campaign against the Communists. Attempts made by the Communists to recover the captured Red towns have proven a failure.

The administrative conference held at Nanchang has concluded its sessions. The officials attending the conference have all returned to their respective provinces. Gen. Hsu Yung-chang, Chairman of Shansi, is now at Nanchang to see Gen. Chiang Kai-shek to report on the military situation in Suiyuan and Shansi. Gen. Huang Shao-hsiung, Minister of Interior, is also on his way to Nanchang to Gen. Chiang. Gen. Chen Tiao-yuan, who has recently been appointed Commander-in-Chief of the Reserve Units of the Bandit Suppression Forces for Kiangsi, Kwangtung, Fukien, Hunan and Hupeh, may also visit Nanchang shortly. It is reported that Gen. Chiang himself will shortly pay a visit to his native district, Fenghua, on the occasion of the Chinese Chin Min festival. Later, he will go to Soochow to preside over the wedding of his second son who is a student at Soochow university.

Tibetan Situation Eased

The Tibetan invasion of Sikong has somewhat eased, although the Government is in receipt of reports from the border authorities that the Tibetans are continuing their military preparations and attempting to attack Chinghai (Kokonor). In a message to the Mongolian and Tibetan Affairs Commission at Nanking March 21, the Je Cheng Hutuketu, the acting ruler of Tibet since the death of Dalai Lama, professes ignorance of the hostitle activities of the Lamas of the Tachinshih monastery in Sikong which was burnt more than ten years ago. While it may be likely that these homeless and starving Lamas may have been driven to use force, he says, the Tibetan authorities will curb their movements in order not to prejudice against the cordial relations of Tibet with the Central Government. At present, military operations in Sikong are suspended and both sides are waiting for a peaceful settlement of their dispute. However in fear of a Tibetan attack, Gen. Ma Piao, Garrison Commander at Yushu, a city on the Tibetan-Chinghai border, has proclaimed martial law at Yushu and taken precautionary measures against possible emergencies.

Yunnan Dispute Grows Serious

The reported British armed invasion of Yunnan border is causing great anxiety to both the Government and the Yunnan provincials in Nanking. In connection with this affair, the National Government has presented to the British Government a proposal for an early settlement of the Yunnan-Burma boundary in order to avoid further complications. The British Government, in reply to the Chinese protest, claims that the place where mines are exploited by the British interests is not Panhung but a district within the Burmese boundary, and that the British had not crossed the boundary. In order to obtain a clear understanding of the affair, the Ministry of Foreign Affairs is reported to have decided to send a delegate to Yunnan to make a first-hand investigation on the spot.

The Yunnan Provincial Government has again petitioned the Government, reporting that fighting is now in progress between the British armed company and the natives of Panhung and urging that immediate steps be taken for the demarcation of the boundary between Yunnan and Burma. The Yunnan Residents Association held a meeting at Nanking last week, protesting against the British invasion of Panhung gold mines. In a reception to the press, a spokesman of the Association said that the aim of the British in invading Panhung is twofold. On the one hand, they are planning to invade Tibet, and on the other, they are trying to open up a new route directly connecting India with the Yangtsze valley. That is why, he said, the British are pushing forward plans for the construction of the Burma-Yunnan Railway. In other words, the aim of the British is not merely to deprieve Yunnan of its rich mineral resources at Panhung, but also to annex Yunnan province. To deal with the situation, the Government should not merely demand the withdrawal of the British troops, but also settle the boundary question affecting Burma and Yunnan.

International Intrigue Hot in Sinkiang

While the civil war in Sinkiang between Gen. Sheng Shih-tsai and Gen. Ma Chung-ying has apparently ended with the complete defeat of the latter, foreign intrigues are hot in that province and fresh troubles of international connotation are expected to rise. Official reports from the Sinkiang provincial authorities to the National Government claim that the Mohammedan rebel troops under General Ma have been wiped out and Hami, the last Mohammedan stronghold, has been occupied. While the major portion of Ma's troops has been killed and a part of them has surrendered, the remnants totalling 4,000 have fled towards the Kansu border. But according to a *Tass* report from Moscow March 22, General Sheng Shih-tsai, having out off Ma from his retreat towards Kansu, is forcing Ma's Tungans to retreat along the road leading to Kashgar. Following up the pursuit of Ma's troops, the forces of Sinkiang Provincial Government have occupied several towns along the road, seizing the entire stock of artillery and munitions of the Tungans and taking over a thousand prisoners. General Ma and his staff fled from Kurla in Eastern Sinkiang in motor cars to Kashgar where they expect to join force with Tungan tribesmen there who recently overthrew the rebel "Independent Government" established with British support.

Sir Alexander Cadogan, British Minister to China, has lodged a protest with the Chinese Government in connection with the killing of a clerk of British Consulate at Kashgar last month during the tribal hostilities there. The Minister asked that immediate steps be taken to protect the Consulate. A *Tass* message reporting on the incident says that the British Consulate was fired upon by the Tungans because of its affording refuge to officials of the overthrown Independent Government, but the Chinese Government in their reply have offered apologies and expressed extreme regret at the reported occurrence, according to *Reuter* report from London.

With the apparent collapse of the British independence movement in Sinkiang, a fresh phase of Japanese intrigue is being introduced into the Sinkiang situation. According to a *Tass* message from Moscow March 23, the Turkish prince, Abdul Kermin, who had enjoyed hospitality in Japan since his exile from Turkey, has secretly made his way to Sinkiang from Shanghai. Kermin is a Japanese supported candidate for the throne of an "independent Sinkiang State," upon the establishment of which certain Japanese military groups are working in conjunction with Turkish emigrants, and energetically rallying commanding and propagandist cadres. However, according to report in Chinese press in Shanghai on March 28, the Turkish prince still remains in Shanghai. He announces that he will not permit himself to be exploited by the Japanese to further their interests in Sinkiang.

Hearings of the trial of ex-Governor of Sinkiang, Chin Shu-jen at Nanking have been concluded and the Court has decided to order a local investigation of the charges. Due to the remoteness of Sinkiang, it will be several months before the official probe can be concluded. The trial was therefore postponed *sine die*. The accused has been released on bail pending judgement.

Liu's Rebels Menace Tsin-Pu Line

Liu Kwei-tang's rebel bordes have succeeded in entering Shantung territory and crossing the Tientsin-Pukow Railway at a point about 20 miles from Taian. The rampant activities of these rebels have assumed so serious proportions that the Tientsin-Pukow Railway is being directly menaced and the express from Peiping on Mar. 24 was actually held up at Taian on account of their presence in the Yenchow and Wanteh districts. General Han Fu-chu, Chairman of Shantung, left Tsinan for Taian on March 27 to direct the campaign against the outlaws in person. A large portion of Liu's mutineers has been either killed or rounded up by the Shantung troops and Liu himself was reported to have been seriously wounded on March 23 by a bomb during an air raid. The remnants of Liu's rabble army totalling about 2,000 have penetrated into the mountains in Laiwn and Suitai, eastern Shantung with the Government troops in hot pursuit of them. The Shantung military authorities express confidence in their ability to deal with the situation and finally exterminate the outlaws in their territory. At present six columns of Shantung troops are engaged in their suppression.

Sun Tien-ying Bows to Fate

Sandwiched between the armies of the Northwest in the front and the Shansi-Suiyuan Expeditionary Forces in the rear, General Sun Tien-ying, Commander of the rebel forces in Ninghsia, has finally given in and definitely retired from the Army. He left Ninghsia on March 17 and arrived at Paotaochen in Suiyuan on March 26. The Peiping military authorities have promised to furnish him with sufficient funds to meet his expenses and permitted him a free choice of residence in either Taiyuan, Peiping or Tientsin. As regards his troops, they will be thoroughly reorganized and incorporated into different army units in North China. The remnants of his troops totalling 30,000 are now concentrated on the borders of Ninghsia and waiting for reorganization. As an official close of the rebel movement, General Sun issued a circular telegram on March 20, announcing his retirement. He was given an initial sum of $20,000 for his "personal" expenses by the Peiping Military Council.

General Sung Chih-yuan, Chairman of Charhar, called a military conference at Kalgan on March 23 and discussed measures for coping with the tense military situation in Eastern Charhar created by the sudden presence of Japanese troops there. Yo Kai-hsien, newly appointed Special Commissioner of Foreign Affairs for Charhar, will shortly leave Peiping for Kalgan to initiate negotiations with the Japanese.

Arrangements are being perfected at Peiping for the dispatch of Northeastern refugees to the Northwestern provinces. They will be first sent to Suiyuan to settle and reclaim the waste land there.

Tang Yu-jen, Vice-Minister of Foreign Affairs, who recently visited Peiping, returned to Nanking March 23.

General Huang Fu, Chairman of the Peiping Political Council, will shortly leave Peiping for a brief visit to his native place in Chekiang on the occasion of the Chinese Ching Ming festival. A special train is being held ready for his departure.

The Mongolian delegates who has just returned to the North after a prolonged visit to Nanking in connection with their demand for autonomy of Mongolia, called on General Sung Chih-yuan March 20 and urged that negotiations be conducted with the Japanese military for the evacuation of Dolonor and Kuyuan, eastern Charhar so as to facilitate the establishment of the Mongolian Autonomy Political Affairs Council. President Wang Ching-wei, in a telegram to the leading Mongolian princes March 22, instructed that measures be taken for the inauguration of the Council as early as possible in order to combat with the serious situation in eastern Charhar. General Ho Ying-ching, who has resigned from his concurrent post as Directing Commissioner of Mongolian Autonomy Council, is being asked by both the Government and the Mongolian leaders to remain in the post and take up his duties at an early date.

Canton Considers Abolition of Two Organs

Despite the opposition of the politicians in Kwangtung, General Chen Chi-tang, "Strong Man" of Southwest China, seems to have determined to cement closer the existing relations between Canton and Nanking. Although what understandings there are between General Chiang Kai-shek and General Chen personally are not known, the latter, if reports from Canton and Nanking are to be creditted, is acceding to practically to everything Nanking has demanded. According to a *Min Pao* telegram from Hongkong, March 25, General Chen has accepted in principle the Nanking suggestion of abolition of the two Southwest organizations—the Canton Branch of the Central Executive Committee and the Southwestern Political Council and has also agreed to consider the transfer of Kwangtung's Land, Naval and Air Forces to the control of the National Government. Regarding the former, General Chen is now sounding the opinions of Hu Han-min, Hsiao Fu-chen and Chow Lu and as soon as their approval is secured, the two political organs will be abolished. As to the latter, General Chen himself is formulating measures for placing the Kwangtung military forces under the jurisdiction of the Government. General Chen is reported to have also proposed the abolition of the Headquarters of the Commander-Chief of the 1st Group Army. If the proposal meets with General Chiang's approval, the Commander-in-Chief's Headquarters of the Southern Route Bandit Suppression Forces will be the highest military organ in Kwangtung.

According to a *Sin Wan Pao* telegram from Hongkong March 21, the proposed Southwest Branch Military Council is to be established at Nanning, Kwangsi, instead of at Canton, as previously reported. The Chairman of the Council will be General Huang Shao-hsiung, incumbent Minister of Interior, and not General Chen Chi-tang. The reason of having the Council established at Nanning is that it can establish more diffective control over Kweichow and Yunnan than from Kwangtung. General Li Tsung-jen, the Kwangsi military leader, arrived at Canton from Nanning March 26 in connection with the contemplated reorganization of political and military affairs in the Southwest. His visit is the first one during the past 6 months. He is expected to confer with General Chen Chi-tang and other Canton leaders on the situation.

The Conference of Provincial Kuomintang Representatives of Kwangtung which was in session for five days at Canton was closed on March 22. General Chen Chi-tang, speaking at the closing session, stressed the importance of public unselfishness in adjusting the autonomy affairs of the various districts and the necessity for members of the Kuomintang to execute the resolutions adopted at the Conference.

Finances in Canton are in a serious condition. Over 200 money exchange shops have been declared financially unsound and closed by order of the Provincial Finance Department. About 500 modern banks, native banks and exchange shops are also declared unhealthy. The currency crisis has seriously affected the bank notes which have precipitately slumped. The face value of the notes is discounted at from 15 to 18 per cent The Kwangtung Provincial Government is adopting a strict policy of retenchment. According to a plan for the reduction of public expenditure sumbitted to it by the Finance Department, expenses of the Government Offices will be greatly reduced and all public works not absolutely necessary are suspended.

New Life Movement Spreading

The "New Life" Movement sponsored by General Chiang Kai-shek continues to spread during the week. The Honan Association for the promotion of the Movement was inaugurated March 22, while preparations for the formation of similar associations at Hankow, Taiyuan (Shansi), Shanghai, Hangchow and many other parts of the country are also being rushed to completion. However, the only provinces in which the Movement seems to have failed to meet with enthusiasm are Kwangtung and Kwangsi, where for some reason, according to a report in Hongkong *Chao Jan Pao* March 21, is not even mentioned by the Party organs or public bodies. Canton seems to be launching a movement of its own and evinces considerable interest in the revival of Confucianism. On March 19, Chairman Lin Yun-kai of Kwangtung offered sacrifices to the memory of the Great Sage, Confucius, at the Confucian Temple, the sacrificial ceremony being attended by more than a hundred of officials.

Commenting on the significance of the New Life Movement on March 23, ths *Yi Shih Pao*, Tientsin, pointed out that cowardice, selfishness and indolence are the greatest obstacles to the regeneration of China and that so long as these evil habits and characteristics are not removed, there is no hope for China. While expressing full agreement with

(*Continued on page 189*)

U.S. Wheat and Cotton Loan Cut to $20,000,000

At the general meeting of the National Economic Council held at Nanking March 26 the curtailment of the American wheat and cotton loan from U.S. $50,000,000 to $20,000,000 was approved. The curtailed sum of U.S. $20,000,000, at the prevailing rate of exchange, equal to about $50,000,000, and after allowing for repayments of the principal freight, commissions and other necessary expenses, leaves about Chinese $40,000,000 available for use for reconstruction purposes. This amount will be distributed in accordance with certain general principles decided upon by the Standing Committee, which call for concentration upon a few important enterprises, investment of funds in a few specified localities and abandonment, for the time-being, of projects involving too great outlay. According to the resolution reached at the meeting, 40% of the total proceeds, that is, about $16 millions, will be earmarked, in pursuance of a previous resolution of the Central Political Council, for the readjustment of the national currency and finances and improvement of the monetary system. Of this amount, $14 millions will be deposited with the Central Bank for the readjustment of currency and finances.

Move Toward Gold Standard

Measures designed to pave the way for the ultimate adoption of the Gold Standard were recommended in a proposal subnitted by Peng Hsueh-pei and referred by the meeting to the Monetary Committee of the Ministry of Finance for consideration. The main feature of the proposal is that the Central Bank of China should be authorized to issue gold bank-notes which may be used as legal tender in ordinary commercial transactions. The face value of the proposed gold notes is to be one-fourth of the Customs gold unit. Any private individual could present gold bullion or articles made of gold to the Bank in exchange for the gold notes, for which no fees would be charged. The bank would hold against such gold notes a 40% specie reserve, which may consist of gold articles or gold bullion. When the appropriate time arrived, all the income and expenditure of the Government would be expressed in terms of the new gold unit. The way would thus be paved for the ultimate adoption of the Gold Standard.

The meeting was attended by all Standing Committee members except General Chiang Kai-shek and Sun Fo. Government officials and business leaders in Shanghai who are members of the N.E.C. were also present. These include Messrs. Koo Meng-yu, Chen Kung-po, Chang Jen-chieh, Chu Chia-hwa, Wang Shih-chieh, Shao Yuan-chung, J. Heng Liu, Yu Ya-ching, Wang Hsiao-lai, Singloh Hsu, Y. M. Chien, O. S. Lieu, Yen Kung-chao and Chin Fen. Three experts of the Legislative Yuan in the persons of Messrs. Ma Ying-chu, Wu Shang-ying and Chen Chao-yin also participated in the deliberations.

Other proposals adopted at the general meeting included the enforcement of government control of the match industry in China suggested by O. S. Lieu, general manager of the China Merchants' Steam Navigation Company; plans on rural and economic relief in North China submitted by Lu Mu-ting, representative of the Hopei Provincial Government; and the enforcement of government control over the coal-mining industry in China suggested by Chen Pochwang.

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T. V Soong Makes Report on Cotton and Wheat Loan

T. V. Soong issued a statement on the position of the Cotton and Wheat Loan at Nanking, Mar. 20, the gist of which is as follows:

In April last year, I was appointed to attend the International Economic Discussions at Washington. The Government, instructed me to take the opportunity to negotiate for international investment in China. As the American Government does not make direct loans to other governments, negotiations could only be carried on whith the Reconstruction Finance Corporation. During the negotiations, a telegram was received from Chen Kung-po, Minister of Industry, to the effect that the price of cotton in Shanghal was rising by leaps and bounds, that the stock was only sufficient for 6 week's supply, and that the cotton mills were in a state of apprehension.

Another telegram was received from Dr. H. H. Kung, Governor of the Central Bank, to the effect that Yung Chung-ching called to state that "if 600,000 bales of American cotton could be loaned for sale to the mill merchants and the proceeds used for the relief of rural villages and the expansion of the cotton growing areas, then the annual production of cotton could be increased by 5,000,000 piculs."

A further telegram was received from Vice-Minister Tsou of the Ministry of Finance, saying that President Wang Ching-wei had asked him to telegraph him (Soong) the suggestion that the Chinese Government should approach the American Government for a loan of 600,000 bales of cotton for sale to the Chinese merchants and the proceeds thus realized utilized for the relief of villages, the expansion of the cotton growing areas and the improvement of the quality of cotton. A second telegram from Vice-Minister Tsou stated that the cotton in stock was sufficient for only one month's use.

The collapse of this key industry would be serious for the economic condition of the country, and acting on the instructions of the Central Government, the letters and telegrams from President Wang, Minister Chen and Governor Kung and the request of the mill merchants, I bent my effort towards the successful conclusion of the loan agreement. The total amount of cotton that could be imported was based on the statistics of imports in recent years.

Regarding the condition of sales, T. M. Hsi, manager of the Government Loan Agency of the Central Bank, has reported that the loan wheat, amounting to U.S.$6,000,000 has practically all been sold; there is, however, still difficulty in the disposal of the flour, owing to its market price; and, due to various reasons, it is estimated that the sale of cotton will only come up to U.S. 10,000,000.

The amounts to be expended for wheat and flour remain unchanged, at U.S.$6,000,000 and U.S.$4,000,000 respectively. Thus the total present amount of the credit is U.S.$ 20,000,000.

The net receipts from the American loan, after allowing for repayments of principal in the current year, are roughly estimated by the Manager of the Government Loan Agency as follows:—

American Wheat $16,000,000 (national currency)
,, flour 5,000,000 to 10,000,000
,, cotton 22,500,000

Thus the total net receipts will be about $43,500,000 to $48,500,000 (national currency), This amount may be used for reconstruction purposes.

A detailed statement on the loan by T. M. Hsi, manager of the Government Loan Agency of the Central Bank of China, was appended to Mr. Soong's report.

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Technical Conference Held at Kaifeng

The Honan Provincial Technical Conference was formally opened in Kaifeng March 17. Stressing the importance of industrial development for national recovery, General Liu Chih, Chairman of the Honan Provincial Government, in a speech, urged cooperation between capital and labor and between the merchants and the farmers.

Chen Kung-po, Minister of Industries, is planning a tour of the South Sea islands next month with a view to encouraging investment by Chinese overseas to help the establishment of several important factories planned by the Government. He will visit Singapore, Java and the Philippine Islands and may extend his visit to Siam and Indo-China.

It is said stated as a result of the dumping of Japanese silk in North China the Chinese silk merchants along the Yangtsze River have completely lost their market in the North.

The Metropolitan Native Goods Exhibition Hall under the Ministry of Industry has decided to hold a spring show in Nanking on April 20.

The Ministry of Finance will hold a National Financial Conference in Nanking at the beginning of June. Directors of the financial departments of all the provinces will be ordered to attend. A Preparatory Committee has been appointed by Dr. H. H. Kung, Minister of Finance, to complete plans for the conference.

The Chekiang Provincial Government, on the recommendation of Tseng Yang-fu, Provincial Commissioner of Reconstruction, has decided to organize a Special Engineering Committee of 26 to take charge of the project to construct a bridge across the Chientang river.

The total indebtedness of Chekiang province, including principal and interest on loans and bonds issued amounted to $44 millions up to the end of 1933. Of this sum $5 millions are in the form of loans, and $38 millions in bonds.

The North-western branch of the National Economic Council has decided to extend the projected Sian-Lanchow Highway to Kulanhsien, northeastern Kansu, near the Kansu-Mongolia border. A survey party has been despatched to inspect the extended section of the route.

Nanking to Formulate a Recovery Program

A recovery program for Nanking, including the introduction of "codes," is being formulated by the Nanking chamber of commerce with the assistance of local authorities. Unlike the N. R. A. codes in America, the codes likely to be introduced in Nanking will have nothing to do with the relationship between capital and labor, but will be chiefly designed to prevent cut-throat competition among the shopkeepers with consequent failing of prices.

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Chinese Press Discusses the Economic Crisis

The Shanghai *Chen Pao* comments:—"Shanghai has been experiencing the worst economic crisis since the ushering in of the new year. Some of the noticeable results include (1) a general business depression, (2) the dullness in industrial enterprises, (3) a number of newly built houses remaining unoccupied because of high rentals, (4) a great increase in the number of servants, especially women, seeking employment, (5) unemployment in general, including even the ricsha coolies, and (6) a conspicuous decrease in enrollments in schools above middle school grade.

"There is one more very important reason, that is that the extravagance of the Chinese people has increased; they are no longer satisfied with the crude products of their own country. The Chinese people, especially the younger generation, seem to be reluctant to take in anything that is not made abroad and some of them even laugh at those who are wearing dresses made of Chinese native cloth. This psychology is extremely dangerous. We hope those who are in charge of the nation's economics will pay close attention to the psychological side of the situation.

"The economic crisis in Shanghai is in reality a reflection of similar conditions in the country, and the only way to remedy this situation is to instantly bring the finances of the country under control. Although the project is hard to realize, it is certainly better than doing nothing. In our opinion centralized control of commerce and finance will prevent further increase in the excess of imports over exports and at the same time add vitality to our national enterprises as well as bringing about a revival of the rural districts. But one question still remains to be answered: Has the Government arrived at a firm determination and has society really come to appreciate the necessity for this?"

The Shanghai *Shun Pao* commented:—"In the present days of general economic depression the Governments of nearly all nations are appropriating huge sums of money for the relief of their people. But in China nothing in that direction has yet been done. Millions of people are awaiting relief. The Government is too busy to pay attention to these poor people, being engaged solely in the work of suppressing the Communists. The major portion of state revenues has been used to meet the huge military expenses while little has been spared for the relief work. Although the Government has the intention to help these refugees it is unable to do so owing to the lack of funds. But these millions cannot wait much longer. Unless a way is found for them they will also turn into Communists and will make the situation worse for the Government."

Higher Prices for Chinese Bonds on London Market

There has been continued strength in Chinese loans in London especially Birch-Crisps, and Reorganization and Hukuang bonds, during the past month, the chief cause being purchases in recent months by insurance companies, which have been mixing their investments to even returns since the reduction of interest on home gilt-edged securities. Another reason for the advances is the approaching extinction of the 1898 Railway Loan, which makes the Reorganization Loan the second charge on the Customs, while the Chinese Government's intensive work on the Canton-Hankow Railway has also created a good impression.

China Imports Large Quantities of Coal

According to statistics obtained by the *Chekiai* Agency from the Customs, the coal imports during the year of 1933 have reached alarming figures, thus greatly injuring the coal industry in China. The following table gives in detail the amount of imports together with their value in Chinese Customs Gold units:

	Tons	*Gold Units*
From British India	164,650	1,481,926
„ Formosa	60,153	281,886
„ Annam	474,238	1,154,890
„ Hongkong	18,627	124,894
„ Japan	512,361	2,396,199
„ Netherlands East Indies	115,702	955,775
„ Other countries	602,702	11,424,809

T. V. Soong to Go on Northwestern Tour

T. V. Soong proceeded to Nanking end of last week to make arrangements with the authorities regarding the future financial support of the National Economic Commission. He will start next week on an inspection trip to the North-west. He will possibly visit Kansu, Szechuen and Sinkiang before returning to Shanghai. He will be absent about two months.

Mr. Soong is interested in the plans which have been completed by the National Economic Council for the building of a network of highways in the Northwestern Provinces, totalling 26,500 miles with an approximate cost of $22,900,000. Dr. Rajchman, Director of the Health Department of the League of Nations and now in China in charge of technical collaboration between the League and China, is accompanying the party.

Tai Chi-tao, President of the Examination Yuan, called on President Wang Ching-wei at Nanking Mar. 23 to discuss with the latter his trip to the North-west with Mr. Soong.

Dr. Mari, the League's silk expert who is attached to the National Economic Council, proceeded to Hangchow last week. He previously had been to South China where he investigated the silk industry in Kwangtung. Dr. Mari has already visited Kiangsu, Chekiang, Szechuen and Kwangtung Provinces.

Nitric Acid Plant for Shanghai Ordered in France

A new chemical plant will shortly be built in Shanghai under the auspices of a group of Chinese industrialists. The main product of the projected plant will be synthetic nitrc acid. The necessary equipment has been ordered in France through a local French firm. The proposed installation will be capable of producing eleven tons of nitric acid daily, using ammonia furnished by another factory belonging to the same group. The plant will also be equipped for the concentration of sulphuric acid.

Yellow River Dyke Repairs Almost Completed

Repairs to the damaged portions of the dykes along the Yellow River at Shintouchuang, Honan, are practically completed, according to a report received from Kung Hsiang-yung, Chief of the Engineering Relief Section of the Yellow River Flood Relief Commission.

Canton to Have Another Electric Power House

The Canton Provincial Department of Reconstruction, which has been pushing industrial undertakings in Kwangtung, has decided to establish another electric power house. A site near the Sai Chuen cement works, which has an area of 7,000 square feet, has been chosen as a suitable place for the erection of the power house.

Porcelain Factory to Be Established at Kiukiang

As a result of arrangements made between Dr. H. H. Kung, Minister of Finance, and General Hsiung Shih-hui, Chairman of the Kiangsi Provincial Government, during the former's trip to Nanchang recently, a modern porcelain factory will be established in Kiukiang with a capital of $1,000,000.

New Laws Promulgated for Shipping Companies

A set of supplementary measures relating to the organization of shipping companies has been promulgated by the National Government. According to the new measures, all shipping concerns, whether limited companies or partnerships, must be organized into a shipping guild, and also bcome members of the local Chamber of Commerce in accordance with the provisions respectively of the Law governing Commercial and Industrial Guilds as well as the Chamber of Commerce Law. Private ship-owners who have been duly registered may also become members of such guilds.

Kiangsi-Hunan Railway to Be Constructed

The Ministry of Railways is drawing up plans for the construction of a railway linking up the Kiukiang-Nanchang Railway with the Canton-Hankow line. The proposed railway will start from the Saho Station on the Kiukiang-Nanchang Railway and wind its way westward to Changsha, passing through Juichang and Yanghsin.

Work on Sian-Tungkwan Railway Progresses Rapidly

Having completed an inspection of the construction work on the Sian-Tungkwan section of the Lung-Hai Railway, Messrs. Shao Li-tzu and Liu Ching-shan, respectively Chairman of the Shensi Provincial Government and Director of the North-western branch of the National Economic Council, returned to Sian, March 18. Work on the line is progressing rapidly.

Fukien Merchants Continue Anti-Japanese Movement

Fukien merchants in Shanghai are continuing with their anti-Japanese movement with redoubled vigor according to the *Shun Pao.* The Fukien Merchants Guild has adopted a resolution not to send any more Japanese goods into Fukien province nor will they send goods to Fukien on board Japanese vessels.

China Begins to Refund U. S. Cotton and Wheat Loan

According to information from financial circles the Chinese Government has begun repaying the U. S. Cotton and Wheat Loan according to agreement. So far U. S. G$441,393 has already been paid to the U. S. authorities by the Ministry of Finance.

England Not Disposed to Submit to Dictatorships

In a recent broadcast address to British schools, Stanley Baldwin, Lord President of the Council, expressed a strong belief that dictatorships, whether from the Right or Left, would not flourish in British soil, where democratic institutions were indigenous. He admitted that a dictator might do much when in power, but the one thing he could not do was to create another dictator. When he went, chaos often resulted.

Chinese Government Railways

Shanghai-Nanking and
Shanghai-Hangchow-Ningpo Lines

From Shanghai to Nanking: 311.04 Kilometers
From Shanghai to Hangchow: 189.57 Kilometers

The Shanghai-Nanking Line extends from Shanghai, one of the greatest seaports in the world, to Nanking, the seat of the Nationalist Government of China. Short as it is when compared with the other trunk Lines in China, it serves a rich and densely populated district of preponderant importance, politically, as well as commercially and industrially. The whole Line is dotted over with points of known scenic beauty too numerous to be all mentioned here. Tourists and travellers should utilize the train service of this Line at least to visit Soochow, known as the "Garden City of the Orient," Wusih, the picturesque city on Lake Tai-hu, Chinkiang, the "Gate of the Yangtze River," and Nanking, a city rich in historic remains with the new grand Mausoleum of modern architecture for Dr. Sun Yat Sen, Founder of the Chinese Republic.

The Shanghai-Hangchow-Ningpo Line runs southwestward from Shanghai through a tract of beautiful places. At Lunghwa one will see the famous Pagoda with a long history attached to it; at Sungkiang, the observatory of the French Fathers at the summit of Sha Shan and the grave of General Frederick Ward; at Kashing, the South Lake and the Three Pagodas situated about two miles from the station; and at Hangchow, the present terminus of the Line from Shanghai, the renowned West Lake which called forth highest praise from Marco Polo, with such picturesque surroundings that it has been well called the "Switzerland of China." Tourists! A visit to Hangchow by the comfortable trains of this Line will give you the utmost satisfaction of travel and untold pleasure of sight-seeing.

For further information apply to the Traffic Manager of the two Lines at Shanghai North Station.

Let Marshal Feng Yu-shiang Lead the New Life Movement

BY PAUL K. WHANG (汪仲芳)

WITH the coming round of Spring, which brings a new life to everything upon the universe, many of our political and military leaders have temporarily diverted their attention from the worries of the hundred and one political problems to the thought of bringing a New Life to our people, thus giving birth to our present New Life Movement. At the outset, it must be noted that what is meant by a New Life in the present instance is nothing but a return to our old life in which many old Chinese virtues are embodied. Therefore it will be more appropriate to call the present movement a Return-To-The-Old-Life Movement.

Prior to the launching of the preasent nation-wide New Life Movement, a few of the provincial leaders had already started some local movements to reform the daily life of their people. Thus Gen. Liu Shu, Chairman of Honan province, advised his people to get up early in the morning by the crow of the cock. He emphasized the importance of day-light saving, and reminded his people of the old Chinese proverb that the most sober moment to exercise one's mental power was in the early morning.

So is Gen. Han Fu-chu, the noted leader of Shantung province. He, however, confined his attention to the reformation of the life of his subordinates. He issued a circular order to various government organs in Shantung instructing that each government organ should hold a morning memorial service on Mondays, Wednesdays and Fridays of every week during the months from January 1 to June 30 this year, and that any man in government service who should absent himself from the meeting for two times during the aforesaid period shall be discharged and punished. He also admonished his subordinates to value the time and dispense with night life.

Again Gen. Ho Chien, Chairman of Hunan province, led a movement in introducing simplicity of life to his people. Economy and frugality, he advocated, are two virtues which every one should learn to acquire. To live in a luxurious house, to eat delicate food and to wear expensive dress, according to him, are simply a waste of money and contraray to the teachings of our old sages. He further concluded that unless we could return to our old and virtuous life, we could not bring our country to a rebirth.

"New" Life Depends on Old Principles

All these local movements sponsored by various provincial chairmen have not attracted as much public attention as the one now conducted by Gen. Chiang Kai-shek himself. Gen. Chiang has urged the people to return to old virtues and observe the teachings of Confucius which include "Li," "Yi," "Lien," and Chih." These four characters stand for: Good manner, righteousness, honesty and consciousness.

In driving home the idea of a "new Life" to the people, Gen. Chiang has personally delivered many addresses on this subject in Nanchang where he is now staying to direct the banditry-suppression forces. In one of his speeches delivered before a crowd of 80,000 people in spite of heavy rainfalls, he said, "The guiding spirit of our New Life Movement is four Chinese characters: 'Li,' 'Yi,' 'Lien,' and 'Chih.' Be it a country, or a society, or an organizaton, or a family, or an individual, its development and success must conform to the spirit of these four characters."

A series of ninety-five rules for the guidance of daily conduct have been formulated and published. They are both extensive and inclusive. Many of these rules are apparantly selected from the old Chinese classics. For instance, eating should be done in an orderly manner; sitting posture should be correct; etc. A few of them are also copied from the good manners of western countries. For instance, when you buy tickets at the railway stations or stamps at the post offices, you should take your turn one after another in an orderly manner; when leaving a railway station or wharf, you should take your turn and not crowd ahead of others; etc. Thus these rules of conduct are but a composition of selections from old Chinese classics as well as good manners of western countries.

This New Life Movement initiated and sponsored by General Chiang has now attracted such a nation-wide attention, that associations of the New Life Movement have been formed in nearly all the principal cities of China. Mass meetings have been held elsewhere, and eloquent speeches have been delivered by the officials to arouse the interests of populace. With the lapse of time, this movement will likely gather such a momentum that it will become as popular as the anti-Japanese movement two years ago.

Whether this new movement will bring to us any good results or not can not be told, but the necessity of reforming our life is a matter of certainty. Our old life, which is largely governed by oirtues and conventions, has now become deteriorated through the contact with the influence of western life. What is the most regrettable of all is the fact that what we have incorporated into our life are not the virtues but vices of western life. Thus we have forsaken our simple life and have gradually acquired the habit of indulging in all kinds of imported luxuries and vices.

But to regulate the daily life of our people by laying down codes of conduct does not seem to us as necessary and practical. One might say that if one has to observe these codes religiously, one's life will become mechnical instead of natural. Moreover, we can not succeed in resuscitating the virtuous life of our people, if they adopt these codes merely in form not in spirit.

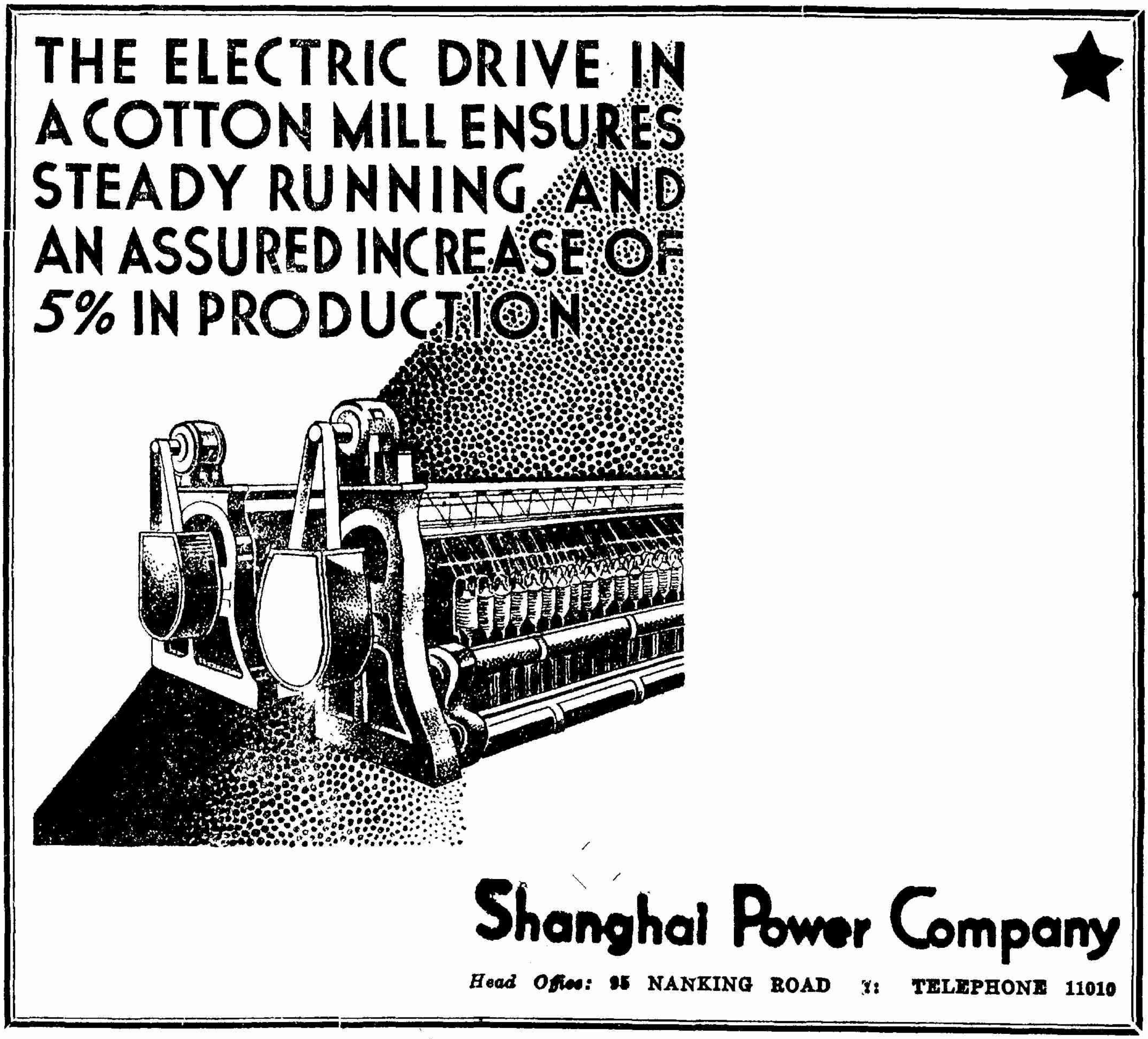
Furthermore, we can not change the habit of our people, if we merely indulge in making eloquent speeches. Deeds speak louder than words. Therefore in order to lead the people to adopt a "New Life," the officials themselves must first set a noble example. If our many high officials can be contented with living in moderate houses instead of palatial buildings, eating simple food instead of dinners of sixty courses, and wearing native goods instead of imported costly fabrics, their economy and frugality will leave a deep impression on the minds of our people.

As a matter of fact, the officials themselves need a New Life Movement more urgently than any one else. Of the four characters advocated by General Chiang, the last two, "Len and Chih," or "honesty and "consciousness" have a special appliance to the official life. Now-a-days, honest and conscious officials are as rare as morning stars, and official morality is at its low ebb. We must completely reform our official life, before an "Honest and Clean Government" can be set up.

Feng Yu-hsiang's Simple Life

In talking about simplicity of life, which has been especially urged by the sponsors of the movement, we will invariably turn our attention to the example set by Marshal Feng Yu-shiang. His country attire and simple food have certainly left a deep impression upon the minds of our people. The much talked about dinner given by him in honor of Sun Fo, President of the Legislative Yuan, at the Five-Sage Temple on the top of Taishan last year, consisted of nothing but beancakes, cabbages and water. Although his conduct has often been criticized as insincere, he, however, actually acts instead of talks. In his many speeches delivered at Shanghai prior to the Sino-Japanese "War," he took every opportunity to preach simplicity of life and urge the people to be economical and frugal. In one sense, he has conducted the present New Life Movement for a long time.

In order to lead the present movement into a successful end, we must have a reputable leader to devote his whole time and energy to the movement. Gen. Chiang Kai-shek, with his whole attention confined to the suppression of Red-banditry, can not be expected to direct the movement in person. Therefore we would suggest that the government should invite Marshal Feng to be the director of this New Life Movement. His country attire and coarse food will give the movement enough publicity to ensure its future success. We can hardly believe that Marshal Feng will decline this appointment on the ground that it has not much political significance. He has always professed himself to be a patriot and ready to serve his country. He will certainly render a great service to his country, if he can succeed through his own example in reforming the mode of living of our people.



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In conclusion, we believe that it is a very wise move on the part of many political and military leaders to initiate the present New Life Movement. Needless to say that in order to bring our country to a rebirth, we must first reform the mode of living of our people. Therefore the New Life Movement can also be called a National Salvation Movement. But the movement can not make a strong appeal to our people, unless the officials themselves first reform their private and public life. We also believe that there is no better qualified man to direct this movement than the erstwhile Christian General, who has long since practised a mode of living which is now urged upon our people.

Shanghai, March 24, 1934.

Bronson Rea Heads Japanese Propaganda Office in Washington

According to the *Christian Century*, well known journal devoted to religious questions published in Chicago, George Bronson Rea of Shanghai has been appointed head of a Japanese propaganda office recently established in Washington, D. C. The statement in the *Christian Century* appeared in connection with an editorial headed, "War Clouds Thicken Over Far East," and was to the following effect: "In the meantime, Americans who are concerned lest the United States become involved in any outbreak in the Far East will do well to note that the Japanese have set up a full-fledged propaganda office at work in Washington, under the direction of George Bronson Rea, an American citizen who has rendered notable service as a Japanese propagandist in the Far East. Mr. Rea is opening his campaign by agitating for abandonment of the Stimson doctrine and recognition of Manchukuo."

Mr. Rea, who is the editor of a monthly magazine, *The Far Eastern Review*, published in Shanghai devoted largely to Japanese interests, went to Washington two years ago as the semi-official representative of Manchukuo. At the time it was reported that the puppet government at Changchun was paying him an annual salary of U. S. $15,000 plus living and office expenses.

Ministry of Railways Gives Figures on Outstanding Obligations

The Ministry of Railways issued a statement March 25 in reply to Sir John Simon, Minister of Foreign Affairs, who stated in the House of Commons last week that the arrears of Chinese bonds amounted to more than £5,000,000. The Chinese reply is to the effect that as at the end of December 1933, the arrears of interest due to British railway bondholders amounted to £2,212,098, and arrears in principal payments to £3,556,610. Debts for British materials supplied to the Chinese railways, amounted to about £1,048,000, and there are interest claims on these debts amounting to approximately £666,000.

The Railway obligations to foreign creditors, according to the Ministry's announcement, up to the end of 1933, are shown approximately as follows :—

Funded debts in arrear	$453,000,000
Short-term loans in arrear	$167,000,000
Materials supplied in arrear	$109,000,000
Total (principal and interest)	$729,000,000
or approximately £48,600,000.	

While it may be admitted that China is not in a position to meet all these obligations immediately, it has been stated clearly by President Wang Ching-wei quite recently that there is no intention on the part of China to evade payment of such liabilities, the Ministry declared.

Japanese "Adroit Diplomacy" Victorious---Is it Another "Lansing-Ishii Agreement"?

BY C. Y. W. MENG (孟 長 泳)

THE present situation in the Far East, and the present Japanese policy towards the Foreign Powers interested in the Far East are precisely the same as that in the years following the outbreak of the World War. In 1915, the Japanese minister in Peking presented the notorious "21 Demands" to China in secrecy, which manifested glaringly the Japanese aggression and determination to take advantage of the world conflict and to subjugate China. On the one hand, Japan did whatever it could to give full support to the Chinese "pro-Japanese party" in power by allowing to China one huge loan after another. Never had foreign money been scattered so lavishly in Peking; never was it squandered so shamelessly—in bartering away and mortgaging all China's mineral and industrial resources. As to the Foreign Powers, it was the policy of the Japanese to deal with them individually and to conclude secret alliances or secret agreements with them separately, under the cover of friendship drives. It is not necessary for us to re-state here the many Japanese secret alliances and agreements with Russia (1916), France (1917) and Great Britain (1917), relating to Japanese interests and policy in Shantung, Manchuria, etc. The most important of all was the Japanese "agreement" with the United States, generally known as "Lansing-Ishii Agreement."

A Blunder in American Diplomacy

On June 6, 1917, the American Government sent a note to China expressing its earnest hope to see tranquility, peace and unity in China, etc. But this friendly gesture was interpreted by the Japanese as evidence of interference in Chinese affairs "without previous consultation with Tokyo." A mission under the leadership of Viscount Ishii was at once despatched to America to negotiate an "understanding" with the Americans concerning the East. As a result, an agreement was contained in an exchange of notes dated November 2 between Secretary of State Robert Lansing and Viscount Ishii. Aside from the usual diplomatic statement and reiterations of devotion to the open door and equal opportunity in China, "the Governments of the United States and Japan recognize that territorial propinquity creates special relations between countries, and consequently, the Government of the United States recognizes that Japan has 'special interests' in China, particularly in that part to which her possessions are contiguous."

The announcement of the exchange of the Lansing-Ishii Notes created a very bad impression in China. No matter how the Americans would interpret the terms and meaning of the Agreement, the Americans could never appease the Chinese who were "dismayed" as well as "disappointed" by the American consent to recognize the Japanese "special interest" in China and by the American willingness to sign such an agreement with Japan. At last, China spoke out that "the Chinese Government will not allow itself to be bound by any agreement entered into by any nations,"—something that would not have been so serious had it been made between Japan and some other power, but as it was made between Japan and America, which talked so much of friendliness to China, China could not but consider this something very serious, and a very unfriendly gesture on the part of the Americans towards China! To the Chinese there seemed to be a similiarty of Japanese special interest in China with those "paramount interests" in Korea recognized by Great Britain in the Anglo-Japanese Alliance of 1902. The effects of the Lansing-Ishii Agreement were soon apparent in Manchuria and Shantung. In both these areas, the Japanese interpretation of the term "special interest" was acted upon.

But not much later, the American diplomats realized the blunder, and the next Administration spared no effort to effect the cancellation, which took place on April 14, 1923, and which was substituted by the Nine Power Treaty to fulfill the objects of both countries. But it must be pointed out that the cancellation took place only after much effort on the part of the American diplomats and only due to the timely change of the Japanese policy in China.

Will History Repeat Itself?

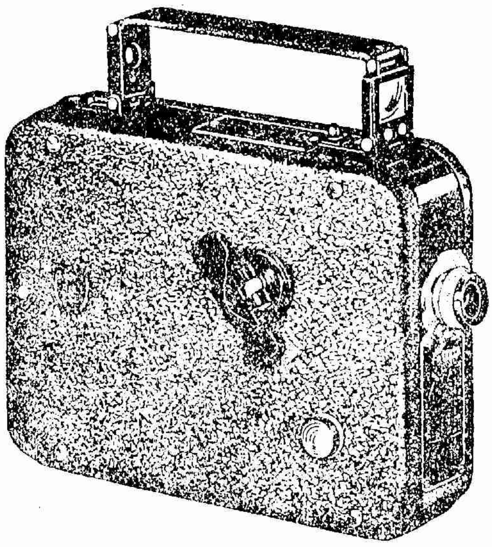
The forcible invasion and occupation of the Chinese North-Eastern provinces (Manchuria) by the Japanese again manifested glaringly the Japanese renewed aggression and determination to subjugate China. But the Japanese policy towards the powers is the same as before. That is, on one hand, Japan will do what it can to support the "pro-Japanese party" in power in China; and on the other, it will deal with the foreign powers individually and conclude "agreements, alliances, etc.," with them separately. We have heard very much before about the secret understandings between Japan and France, and between Japan and Great Britain, particularly during the "Sino-Japanese undeclared war" in Shanghai. But now, we hear of the Japanese understanding with the United States, as a result of the Hirota-Hull exchange of notes. Japan declares that she has no intention whatever of making trouble with any power, while the United States expresses special gratification at the assurance and categorically stating that the United States had no intention of initiating any conflict in her relations with any other country. Both sides agree that no controversy is outstanding between the two countries incapable of an amicable solution, and both declare in favor of an extension of American and Japanese trade. The American reply further concludes that "the American Government will be prepared, as I believe it always has been in the past to examine the position of Japan in a spirit of amity and of desire for peaceful and just settlement, with the confident expectation that the Japanese Government will be prepared to examine the position of the United States in the same spirit," and adding that the Americans shall be glad to receive "any suggestions culculated to maintain and to increase that friendliness and cordiality which have constantly been marked since the conclusion of our first treaty. . . ."

To the peace-lovers as we are, such exchange of notes should not be surprising, but on the contrary, should be very welcome; for the simple reason that these two great powers bordering the Pacific, which are destined to play a great part in Far Eastern politics, are now professing peaceful intentions and exchanging mutual pledges of good will. There would seem to be nothing wrong with any of the parties; the Notes are nothing less than another "anti-war" agreement between two nations.

America Ignorant of Japanese Motives

However, let us ask: What is the Japanese motive in exchanging notes with the Americans? To be brief, the answer is this: Since the Japanese withdrawal from the League of Nations, Japan realizes well that she is being more or less isolated. Further, due to the high tariff policy enforced by different powers against the Japanese dumping in their colonies, Japan is almost at war with all civilized nations in the world. The Russian policy towards Japan at first was one of conciliation. Moscow once was willing to talk about the selling of the C.E.R. (Chinese Eastern Railway), the recognition of Manchukuo, etc. But due to the fact that Russia had settled the problems on the west, and by conclusion of a series of non-aggression pacts with the neighboring countries, and by restoring her diplomatic relations with the United States, her position had become much strengthened, Moscow changed its policy from conciliation to firmness. Moscow on many occasions even openly scored Japanese imperialism in Asia.

Since the outbreak of the Mukden incident, it has always been the policy of the invaders that the Japanese should do their best to prevent the possible formation of an "Anglo-American"; or "Anglo-American-Franco";, or "Russo-American" co-operation, or "joint-interference" by the powers of the Japanese military actions in China, remembering vividly the painful story of German-French-Russian interference in forcing Japan to return Liaotung Peninsula to China after her great "sacrifice of human lives and money" in 1895! So when the Japanese heard something about the possible Anglo-American co-operation of common action in opposition to the Sino-Japanese war in Shanghai,



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which menaced the American and British commercial interests in this part of China, Japan at once agreed to stop the war and withdraw its troops from Shanghai much earlier than the stipulated date. So when Mr. Debuchi, the former Japanese ambassador to Washington was unable to exercise his influence to prevent the Russo-American restoration of diplomatic relations, which had beeen broken off for the previous 16 years, he was at once dismissed and recalled.

Since the Russo-American restoration of diplomatic relations, Russia has always thumbed her nose at Japan, and the Japanese policy towards Russia was not to yield to Russia, but rather to prevent the Russo-American restoration from further fruition and crystallization. So since than we have witnessed that the Japanese have suddenly become very friendly to the Americans. Anti-American activities, propaganda, etc. in Japan were at once suppressed. We hear very much also of the Japanese official statements, such as that "it is absolutely essential that America and Japan understand their position in the most disinterested and impartial manner" (Baron Sakamoto's interpolation); "talk on war between Japan and the United States is absurd" (Mr. Hirota's statement); the Japanese ambassador to Washington was instructed to confer with President Roosevelt and Secretary Hull to correct "erroneous impression caused in the United States by reports of the possibility of war between Japan and America." We can quote many other statements which were issued by Japanese officials during the past few weeks. This shows that the Japanese have been employing their adroit diplomacy in dealing with the Americans, and exerting their full efforts to prevent the Americans from giving any assistance to Russia and China, and in convincing the Americans of Japan's "special position" in the Far East. In other words, underneath the Hirato-Hull Notes is the Japanese motive to isolate Russia from America, and to make American keep hands off the Manchurian situation, and to give Japan an easy time to deal with Russia or China alone! So the exchange of the Hirota Hull Notes may preserve the peace between Japan and the United States, but the Manchurian situation is much aggravated, and the peace in the Far East is greatly endangered; for hereafter Japan can go on with more vigorous aggressive and military actions in North China, fearing no more "notes," "warning," etc., from Washington, nor any interference or inconveniences from Russia, for the simple reason that as soon as Russia is "dis-joined" by America, Russia can not do much harm to Japan! Such being the motive in the minds of the Japanese can it be said that this exchange of notes with Tokyo is in conformity with the American avowed policy to see "peace in the Far East," and her "friendly policy" to China?

Japanese Interpretation of Hirota-Hull Notes

With such motive in view, the natural Japanese interpretation of the Hirota-Hull notes will be that America has definitely recognized Japan's "special position" in the Far East; that America is willing to co-operate with Japan; and that America is preferring to discuss the Far Eastern problems with Japan, which, to put it in other words, is the "recognition of Manchukuo by America"—the Japanese final goal!

America Cooperates With a Wrongdoer, But Deserts Her Best Friend!

Let us now study the other side of the situation. What are the Chinese expectations from the other powers, particularly from America, during the present Sino-Japanese crisis?

Since the outbreak of the Mukden incident, China has been placing her sole hope on the League of Nations; China has been hoping that America and Great Britain would take some common action (the Chinese call this "Anglo-American co-operation") to oppose the Japanese aggression in China; China has been hoping that America, the very friendly friend to China, would take some initial steps, such as holding of a Conference of the signatories to the Nine-Power Treaty to discuss the Far Eastern situation, while other powers join the League to discuss the same; China has been hoping that Russia would never sell the C.E.R. to Japan, even should the latter offer a high price; China has been hoping that America would take some initial steps to revise her out-of-date treaty with China and actually to relinquish her extrality in China, thus greatly strengthening China's prestige in the family of nations, which has also much to do with the present situation in the Far East, though indirectly; and lastly, China has been hoping to form some sort of "Sino-American-Russo common understanding" on the Far Eastern situation, which would save the Far East from another catastrophe. China has many other "hopes" from the other powers, but more particularly from America.

But by the Hirota-Hull Agreement, America is no longer free to take any action, for taking any of these actions would an once arouse the Japanese accusation of "breaking the promise and peace between Japan and America." That is, America has concluded something entirely disregardless of the very motive of the party concerned, and entirely taking no consideration of the legitimate interest of the "third party"! The American action gives great rejoicing to the Japanese, but a great disappointment to China; constitutes a great success to the Japanese "adroit diplomacy", but a breakdown of American traditional friendliness to China, another blunder in American diplomacy, and another "Lansing-Ishii Agreement"—which took the American diplomats many years of efforts to cancel.

Japan's Next Move—Pressing Washington for Recognition of Manchukuo

Before the Americans exchange notes with the Japanese, the former should know the motives of the latter, and should take the Chinese position into serious consideration. Not only this, America should realize beforehand that the Japanese would not be satisfied by a mere exchange of mutual goodwill but something which the Japanese have in mind would follow.

According to the report, behind the correspondences lurks the ambitious Japaneses scheme to stabilize and improve the relations between America and Japan. Japan seeks to obtain the "revision of the Japanese exclusion clause contained in the American immigration law of 1924; the United States recognition of Manchukuo, and abandonment by the United States of its naval air bases in the Philippine Islands at an early date." In return for these proposed gestures of conciliation taward Japan, the Tokyo government is believed to be prepared to renounce its insistence upon naval parity when the Naval Disarmrment Conference convenes in 1935 and and to abide by the present 5-5-3 ratio for the purpose of averting a new warship building race.

But another report from Tokyo dated March 23 circulated by the *United Press* has it that as to the problem of the international recognition of Manchukuo, the Japanese Government is paying great attention to American and British actions, particularly the former, and that the greatest mission of Ambassader Saito in America is to find out the true American opinion, whether the United States has any intention to recognize Manchukuo, and and to intimate that Japan is prepared to enter into a "secret agreement" on the following principles:

1. Japan would issue reassurance of the observation of the open door and equal opportunity in Manchukuo;
2. Japan would recognize the American "special position" in north China;
3. Japan would cooperate with America in North China and Manchukuo and offer protection to American investments.

That is to say, to gain American recognition of Manchukuo is the aim of the Japanese.

Would America Take the Lead in Recognizing Manchukuo?

Not only should America realize that the Island Empire is by no means sincere in heart and is not bona fida for peace; Americans should realize that such exchange of notes with Japan in such form during such time is bound to produce a tremendous reaction upon the policy and actions of the other powers towards the Sino-Japanese crisis. At present, it can be said that the foreign powers are in the wilderness and have adopted no definite policy toward the Far Eastern situation, but they generally look to America for leadership. If America would stick to the non-recognition principle, no other power would dare to recognize Manchukuo. If America takes initial steps to conclude a new treaty with China to better her status in the family of nations, other powers are bound to follow. (America was the first nation which signed the Tariff Autonomy Treaty with China, which was quickly followed by the other powers.) Likewise, if America takes any action tending to approve the Japanese action in China, or to recognize the Japanese special position in the Far East, etc., other powers would follow. It is because when the Japanese succeed in their negotiations with America, their professional diplomats would at once sail for Great Britain and other countries to negotiate for the same, pointing out to the latter that "America has already given them such and such promise; why the other powers should not"? As a result of the Hirota-Hull Agreement, one London paper comes to a conclusion that "American recognition of Manchukuo is merely a matter of time......", and that "the British circles generally welcome practical moves towards collaboration between the powers interested in the Pacific......". This is sufficient to show the Hirota-Hull agreement has produced a tremendous effect upon other powers. If the Japanese succeed in winning recognition for Manchukuo, it must be due to the Americm initial action, and America would be regarded by the Chinese as the "ringleader" of the recognition movement, and the Chinese will come to the conclusion that America maintains peace with Japan at the price of deserting her dear friend, just at the critical moment, and that America perserves the present naval ratio at the sacrifice of her traditional policy and friendship with China. Is this worthwhile?

American Action Puzzles the Chinese

The Chinese really can not understand that if Americans are really desirous for peace in the Far East, they do not realize that their present action has the very effect of aggravating the Manchurian situation and endangering the world peace. If the Americans have every confidence in the Japanese promises of open door and equal opportunity, etc., the Americans need only to wire to their consuls in Mukden who will tell them that the Japanese policy is one of "monopoly system" by the Japanese. At present when the Japanese are seeking the recognition of Manchukuo, the Japanese may make hundreds of promises. But as soon as the recognition is accorded, the Manchurian doors would be tightly closed to all foreign traders and capitalists, except the Japanese. This is predicted not with probility but with certainty. If the Americans want to save the Disarmament Conference, there are many other ways; Anglo-American co-operation is one, and Russo-American co-operation is the other. Do the Americans not know that the Japanese are "professional" in tearing down the international agreements at any time when they think fit? When "necessity knows no law," they would build as many battleships as they felt like under various pretexts. Why should the Americans try to save the Disarmament Conference at the sacrifice of her traditional policy, long friendship when China, and her dominating commercial position in China.

Some "Omissions" in American Note Regretted

If the Americans are really desirous for peace in the Far East, and are ever intend to observe the Nine Power Treaty, America should take more dignified action; and if the Americans would like to give a reply to the Japanese note, the Americans, aside from stating that America has no intention of coming into conflict with any power, etc., should state expressly that "America has no idea of departing from her traditional policy in the Far East and in China, and that America is always observing her treaties which she has signed." But such is being omitted, and such omission is indeed much regretted. America certainly knows better than any other people that the peace in the Far East or the world peace depends on the cessation of the Japanese aggression in China and the abolition of the Manchukuo. But these omissions tend only to aggravate the situation and endangre the peace.

China Herself to Be Blamed

But after all, China herself is to be blamed. Since the Mukden incident, China has adopted no definite policy, and has never employed her diplomacy to cope with the situation; and has not sent a single diplomat (with exception of T. V. Soong, but his mission was only to represent China in the World Economic Conference) to visit the different countries to explain China's case before them and to seek for some common understandings on the Far Eastern situation—a step which China should have taken at very beginning. But China failed, whereas Japan acted with great vigor, realizing well that victory does not depend on arms alone, but also on diplomacy. Every capital of the foreign powers is crowded with Japanese diplomats to seek for "secret alliances," "understandings," "agreements," etc. Japan succeded before, and she succeeds again in her negotiations with America. In a weak country like China, if she is physically impotent to put up resistance, and at the same time, if she employs no diplomacy, she is surely hopeless. The Hirota-Hull Agreement means a great success to the Japanese in preventing the possible interference, or any combination, by the powers and in putting China in a hopeless state, but in greatly endangering the peace in the Far East and the world as well.

Nanking, March 25, 1934.

Japanese Crew Acts Mysteriously on Australian Coast

A Japanese vessel was reported Mar. 22 at Brisbane by the Australian s.s. *Mildred*, to be acting curiously. The Japanese were seen near Cairns, on the coast of Queensland, apparently collecting trachus shells. The crew, who numbered over 30 men, threatened to shoot if anyone approached. The Japanese were all armed with rifles and revolvers.

Soviet Ship on Reef Acts Suspiciously

The Soviet motor vessel *Kusnetz Lessou* (Grasshopper Forest), which, while on a voyage from Leningrad to Vladivostok, ran aground, recently on one of the reefs of the Pratas group, half way between Hongkong and the northernmost tip of the Philippine islands, has created suspicion by its actions. Three attempts to drag the stranded vessel off the reef were made with a British tug from Hongkong, but without result. The captain refused to lighten the ship. The hatches of the vessel are tightly battened down and nobody is allowed near the holds. The *Kamari*, a sister-ship of the *Kusnetz Lessou*, is standing by the stranded freighter, while a third ship, name unknown, is proceeding to Vladivostok to collect special salvage gear.

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French Reject British Disarmament Plan

The French reply to the British Note on disarmament issued March 23 amounted to a virtual rejection of the British Plan. Serious objections were raised, especially with regard to the proposal that reductions of armaments should be imposed on certain Powers while immediate increases are to be granted to others. British reactions have so far beeen the expression of a hope that the French reply does not represent the last word, but in Germany keen disappointment is expressed; also trenchant newspaper criticism of France's attitude. The Reply is described as containing "numerous insincere phrases and juridical sophistry." President Roosevelt has again made it clear that while America is willing to join in a consultative pact she will sign no agreement obliging her to utilize armed forces for the settlement of any outside conflict. Anthony Eden, speaking at Bradford, displayed his usual optimism as to some eventual disarmament agreement.

British Conservatives Show Alarm

The growing alarm felt by a section of British conservatives is recorded in a *Chekiai* telegram from London March 24 referring to the declaration of the Mr. Churchil that Britain's naval program must be framed with special reference to the need of defending Australia and New Zealand against a great Pacific power other than the United States. The *Daily Express*, a conservative paper, which has been conducting the bitterest campaign against Japanese goods, published recently a sensational article accusing Japan of preparing to occupy Siam as she did Manchuria and planning to dig a canal across the isthmus in order to render useless the British Singapore naval base. The paper further alleges that Japanese spies are extremely active in the Straits Settlements.

Red Army Mototized and Mechanized

Moscow mail messages give details of the review of the Red Army on February 9. Huge guns were carried on rubber tires—the latest in mechanized and motorized warfare. A big tank led the parade, the proud head of a Red Army soldier looking out from the tank turret, where a little red banner floated in the air. Behind it came whippet tanks, armored cars, light and heavy tanks, amphibian tanks, mountain-climbing tanks, in a powerful current, filling the whole Red Square. Artillery in trucks was followed by motorised infantry, and then more tanks.

Keen interest is show in Geneva in the question whether the U. S. S. R. will join the League of Nations. Authoritative Geneva circles are inclined to confirm reports in the French and British press that the Soviet Government will soon take an affirmative decision. It is pointed out in Geneva that the Soviet Union's attitude towards the League has changed as first revealed in the speeches of Stalin, Molotof, and Litvinof at the end of December of last year. This is due to the fear of Japanese and German threat to peace and to the realization that League membership is the best chance to avoid the risk of isolation. Possibly (says *Chekiai*) the Soviet Government is also counting on ultimately securing international support in case it is compelled to come to a show-down with Japan.

U. S. Senate Passes Naval Bill—President Signs

The U. S. Senate March 23 passed the $500,000,000 Naval Expansion Bill without even a roll-call. The Bill was signed by President Roosevelt March 28. The Naval Expansion Bill provides for the construction of six cruisers, 30 submarines, 65 destroyers and one aircraft-carrier, over a period of five years.

Vickers Deny Participation in International Armament Ring

The control exercised over private armament manufacturers in Grert Britain was far more potent than generally believed, declared Sir Herbert A. Lawrence, when presiding at the annual meeting of Messrs. Vickers, Limited in London March 26. He said that no company belonging to the Vickers group was a member of any international armament Ring. "On the contrary," he said, "there is the keenest of competition, but orders are declined if the Government considers it detrimental to our national interests to accept them."

Japanese Land Titles in Guam Not to Be Renewed

The status of Japanese property owners on the island of Guam, was made the subject of an official inquiry by officials of the Japanese Embassy in Washington March 7. This action followed receipt of a message from the Japanese Consul-General in Manila stating that the Japanese Society at Guam, which is under his jurisdiction, received notice from the Governor-General of Guam on March 7 stating that Japanese must release ownership of their land before April 4 after which time it will be impossible to secure renewals of land titles.

Deadlocked Anglo-Japanese Cotton Parley Adds to the World Apprehension of "Yellow Trade Peril"

BY THE REVIEW'S TOKYO CORRESPONDENT

(Translations from various Japanese Publications)

THE Indo-Japanese commercial parley is believed by general public to have come to a successful closure through substantial concession on the part of Japan, as was stated by Foreign Minister Koki Hirota on March 15 in the Lower House. Upon the heels of the parley came the Anglo-Japanese businessmen's cotton conference at London, which, after going through one month's negotiations, came to a complete breakdown on March 14 due to the failure to reach an agreement on the division of world markets involving third party nations—Britain's insistence on the division of the whole world market failing to meet Japan's intention. As the result, Tokyo papers state in their March 16 issues, the affair will, in accordance with the original schedule, be transferred to the governments' hands and a Matsudaira-Runciman conference on fixing the scope of the market to be involved will be held as the forerunner.

While it seems the Government circle of Japan shows no marked pessimistic idea on the anticipated deadlock as is evidenced by Foreign Minister Hirota's statement made in the Diet session on March 15 that the affair would be transferred to the hands of the governments (*Tokyo Nichi Nichi*, March 16), the Tokyo and Osaka papers forecast a gloomy future for the negotiation in their editorials, while the Japanese cotton men, who had retained some hope for the British delegation's acceeding to their proposal, seemed to have received no meagre shock upon hearing of the final breakdown (*Tokyo Asahi*, March 15). Upon receipt of the telegram informing of the deadlock the cotton men gathered heads and decided on transferring the affair to the Government provided it appoints the chief delegate from among them (*Tokyo Asahi* March 15).

On the part of Great Britain it is informed by the *Tokyo Nichi Nichi* that the British cotton men, seeing the conference having come to an impasse, are pressing the Government to abrogate the Anglo-Japanese Treaty of Commerce, to levy prohibitive duties on Japanese merchandise, and to strengthen the economic bloc of the British Empire; furthermore, they demand that the Government organize a solid front of other countries against Japan. The paper continues to say that the British cotton circles, out of eagerness to stick to their plan of involving their party nations, hardly expect anything of the diplomatic negotiations, though in their statement they stress the temporary nature of the break off, in order to avoid responsibility for the failure.

In view of the anticipation that the committee meeting of the International Cotton Spinning Association expected to open in Berlin toward the end of April (*Yomiuri*, March 16) may decide on the European cotton men's taking a united front against Japanese goods, it may be said that Japan's relentless advance into the world market has in stock no small political significance, especially at this time when all the nations are bound to improve their economy.

For the better understanding of Japan's trade situations in the world market world and criticisms on the invasion of Japanese manufactures see translations below:

The Prager Borsen Courier.—As one of the most outstanding examples of the fact that the marked development of Japan's overseas trade is due to cheap labor and overtime work, we may mention the export of small electric lamps. At present the price of Japan-made electric bulbs comes up to no more than one-sixth of the American make, and it is but natural that these cheap bulbs are freely encroaching on the markets of Britain, Netherlands, South Africa, South America, Germany and the United States. The world knows that Japan does not respect various international labor agreements concluded. With her unparallelled advantage, made-in-Japan has already subdued the Far Eastern market and now threatens to encroach upon East Asia. As a consequence it is feared that countries placing importance on their overseas trade will be compelled willy-nilly to build up abnormally high tariff walls as the only means to protect themselves from the ruinous inflow of Japanese products. Under these circumstances it is feared that the solution of the tariff question as the first step to the world economic rehabilitation will meet a gigantic stumbling block.

Manchester Guardian, May 26, 1933,—(By I. H. Grew, Chairman of the Cotton Spinner's and Manufacturer's Association): The Japanese are sending out to every corner of the world their manufactures at so low prices as to create international apprehension. They ought not construe these remarks of mine as the view only in Britain, for in some quarters of the world there are those who regard the tactics employed by Japan in carrying out the competition as a menace to the stability of the civilization of Europe. Not only countries in Europe but possibly the rest of the world consider it inevitable to have recourse to some movement, in view of the ill effect of the advance of Japanese goods upon their economic conditions. Such countries as the Netherlands, France and Italy are paying special attention to this question.

Manchester Daily Despatch, Oct. 26, 1933,—(Views of a certain cotton magnate)—Japan wages upon us a cruel, systmatic economic war. In view of the prominent European statemen's failing to disable Japan's territorial ambition at Geneva, we are convinced it is inevitable for the development of our overseas trade to respond to Japan's economic challenge, and, instead of taking up the affair with Japan, we should negotiate with colonies, while collaborating with other manufacturing countries in offering united front if such is necessary. The object of these measures is to check the import of Japapese goods and thereby to isolate the "commercial highwayman" and to bring political and financial pressure upon him.

Morning Post, Dec. 4, 1933.—Japan's international trade promotion now involves not only cotton textiles and sundries but also woolen fablics, menacing not only Lancnshire but also Yorkshire, In China Japanese woolen goods have already risen above British make and they are now encroaching on Indian and African markets.

San Francisco Examiner, Jan. 8, 1934,—Due to extremely cheap labor, favorable exchange rate, etc., cheap Japanese products, making nothing of the tariff wall, are rushing into the American market. And in consequence several factories were closed, adding fuel to the deplorable situation of unemployment. Among Japanese products sold here there are even those whose cost plus freight and interest does not come up to 90 per cent of the manufacturing cost of Americam make.

Vancouver News Herald, July 22, 1933,—Japan's underselling the other countries in the world market is becoming an important impetus toward improving trade barriers by all countries of the world. The pressure of Japanese goods is also felt in Australia and New Zealand.

New York Times, Jan. 7, 1934,—Manufacturers in the United States are reported to be appealing to the Government to conclude reciprocal treaties with countries abroad and apply to Japan the embargo based on the industrial rehabilitation law, in order to cope with the powerful advance of Japanese goods.

Press Opinions on the Rupture of the Anglo-Japanese Parley

Chugai Shogyo Shimpo, March 16.—After repeating its stormy session six times since it opened on February 14, the Anglo-Japanese cotton parley has now come to an impasse. This is to be regretted in view of the arduous efforts the British and Japanese delegates have made.

From the outset, however, the position assumed by the negotiating parties revealed too wide a margin. To put it plainly, the British proposal was found unfair and selfish. The British attempt to restrict Japanese goods alone with out imposing any limitation upon its own product is improper. But its attempt to apply such agreement to world markets is more than improper. It is impracticable, because such limitation would mean restriction of others' sovereignty. The present unfortunate result was nothing more than what everybody had anticipated from the beginning.

Now that the parley has come to a rupture, the question is how to readjust the situation. The Japanese Foreign Office authorities, are understood to be prepared to meet the British Government representatives for necessary adjustment. For the sake of the mutual welfare such an official conference is desirable.

The Japanese diplomatic authorities observe that any offer that England might make for an official attempt to readjust the situation would be useless unless the British authorities modify their first attitude.

We hope that the British Government and people will make a more practical study of the Japanese cotton industry.

Under the prevailing circumstances, however, nothing seems more difficult than to expect any compromise on the part of the British authorities.

Tokyo Nichi Nichi, March 16.—The Anglo-Japanese trade conference has at last come to a breach because of diametrically opposed views in principle regarding the question of the world markets and the basis of agreement.

The British side insisted on concluding an agreement covering the whole world and demanded uniteral restriction of Japanese goods. As to the amount to be restricted, the British side, while insisting on no restriction to be applied on cotton export on the ground of its having decreased in recent years, Britain tried to restrict Japan's cotton goods export, basing her estimates on the total figures of Japan's world exports in 1929, in disregard of their having later made a marked development.

However, the British side is shifting the responsibility for the failure of the conference on the Japanese side, stating that, despite a compromise plan submitted by Britain, the conference broke down because of the refusal of the Japanese side. But as to the sales agreement covering the whole world markets, Japan can never agree to conclusion of an understanding on markets outside of direct British control, for it would be impracticable when a third party nation applied the import quota system and other measures on the British and Japanese goods. Even with the British possessions, any agreement concerning those with tariff autonomy will render the agreement void should any one of them manipulate the situation advantageous to Britain. To restrict Japanese goods alone is indeed outrageous.

In view of the fact that the Lancashire cotton interests have since toward the close of last year urged the British Government to raise tariff rates on Japanese goods and to abrogate the Anglo-Japanese commercial treaty in order to fight Japanese make, their activities will become more and more pronounced in future. Sir Thomas Barlow, chairman of the British delegation to the conference, is reported to have stated following breakdown of the parley to the effect that the British have no alternative but to adopt their own measures, concurrent with the British Government, to successfully meet the penetration of Japanese goods. In case however the British Government accepts their suggestions, the question will not be confined to cotton goods, but in all probability will extend over the entire Anglo-Japanese trade relations. At any rate, we should be fully prepared to meet any development of the affair.

Yomiuri, March 16.—The Anglo-Japanese cotton parley has, as was feared, at last come to an impasse after a month's negotiations.

As has been repeatedly explained by our delegation, it is as clear as day that the British proposal of one-sided restriction of Japanese goods is extremely selfish and unjust. What has driven the conference to a breach is among others the Britain's insistence on covering the whole of the world. As long as the British side stuck to this principle there was no means for Japan to cut open a way through the impasse.

The fact that Britain firmly clung to her insistence discloses her apprehension that unless the advance of the Japanese goods is dammed up at this juncture the brilliant industry of England would collapse in no distant future. For this reason the British will continue their frantic activities, and therefore it is feared that even if the issue is transferred to the hands of the governments there is little hope for its satisfactory solution. Various obstacles are piled up on the road leading to the final solution.

Seeing that the export of British cotton textiles of today is but half that of ten years ago, whereas Japan's export figure for the same line is more than double the figure for ten years ago, it is not unnatural that the British raise cries of distress. It is reported that, after the failure of the present cotton parley, voices are raised in Britain in favor of the abrogation of the Anglo-Japanese treaty of commerce or for the formation of the world united battle line against the invasion of Japanese goods. Though such may be a rumor purposely floated for demonstration purposes, yet how it may develop is a question deserving our serious attention.

Miyako, March 16.—The cotton conference has come to a breach at last. What comes next may be intensified tariff struggle and even abrogation of the Anglo-Japanese commercial treaty. If England is wise, there is reason to believe that she will refrain from resorting to means which might ruin traditional relations between the two countries. (Because the failure of the parley had been anticipated some of the leading vernacular papers editorially made no comment upon receiving the report of its having reached an impasse).

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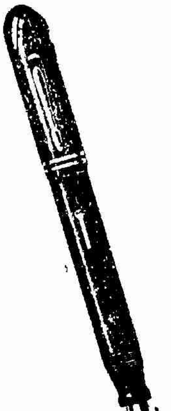

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Hopeful Elements in Chinese Economic Life

BY ARTHUR G. COONS

Dean of Men and Associate Professor of Economics, Occidental College, Los Angeles, California; Visiting Professor, College of Chinese Studies, Peiping.

(Concluded from last week)

The interest in economic planning is growing: not so much the economic planning of the well integrated, incorporated and industrialized states of Europe or America but the planning of public works, rural reorganization, public health and education on a national basis. The task is not at once to achieve complete economy but to attack specific problems with piecemeal efforts as funds are available in such a way that what is done is all gain, a part of a well conceived plan with a scheme of priorities and an underlying philosophy of economic action. Economic planning is becoming more realistic. The National Economic Council's One Year Plan, the plans of Dr. K'ung and Chen Kung-po in industrial development are less ambitious and more capable of early realization than those of Sun Yat-sen, Sun Fo and other individuals and bodies. While the complete picture of needs is necessary too much time and effort can be wasted in the discussion of work which cannot possibly be attacked short of a generation. And yet not entirely wasted since each of these contributes to the fund of ideas and to the development of public opinion. Furthermore it is most significant that in China, where prior to recent years, the Government played a most casual role in economic affairs, the Central Government is becoming more and more alive to the need for national economic planning and is marshalling expert advice from all over the world for the first time in Chinese history. The large corps of advisers from the League and Great Britain and America not only influence public opinion and increase the fund of ideas but also are building up for the government a storehouse of knowledge on a comprehensive basis not known heretofore, and particularly valuable because disinterested and impartial. The full effects of the work of the Kemmerer Commission are being gradually recognized in the management of government finances.

So also are certain provinces making plans; notably Kwangtung, whose aggressive promotional spirit, in spite of the evils to be discovered in some aspects of her government, is resulting in visible substantial economic improvement, a part of that province's Three Year Plan; and Shansi, which may not now be quite the "model" province it was once reputed to be but whose leaders have developed a Plan for Northwest Development.

Closely related to economic planning which must concern itself with railroads, roads, mineral resources and essential heavy industries, is the industrial development which has been achieved. Although a very large part of it is foreign in ownership or control and although right now the Chinese owned industry is greatly depressed there has been an increasing Chinese competition and Chinese ownership and control. Chinese owned industries have been choosing these periods of relative quiet and low prices to expand their plants in preparation for further growth. Even during these depression years there has been a noticeable increase in the number of new small or light industries established in major centers but particularly in Shanghai. Grover Clark in his recent book, "Economic Rivalries in China" states "There is little doubt that this tendency toward Chinese predominance in the modernized economic life of China will continue . . . That change is paralleled by the changes in every other range of Chinese life . . The foreign Powers, in the main, have come to recognize that conditions in China have changed fundamentally, and that foreign activity in and with China in the future must rest on the assumption that China in effective fact as well as in diplomatic formality does belong to the Chinese people."

The economic opportunities, particularly within China's own market, have been set forth by many but one might with profit refer to the writings of two British economists. In 1776, writing in "The Wealth of Nations" Adam Smith said, "The great extent of the empire of China, the vast multitude of its inhabitants, the variety of climate, and consequently of productions in its different provinces, and the easy communication by water carriage between the greater part of them, render the home market of so great an extent, as to be alone sufficient to support very great manufactures, and to admit of very considerable subdivisions of labor. The home market of China is, perhaps, in extent, not much inferior to the market of all the different countries of Europe put together. A more extensive foreign trade, however, which to this great home market added the foreign market of all the world; especially if any considerable part of this trade was carried in Chinese ships; could scarce fail to increase the manufactures of China and to improve very much the productive powers of its manufacturing industry. By a more extensive navigation, the Chinese would naturally learn the art of using and constructing themselves all the different machines made use of in other countries, as well as the other improvements of art and industry which are practiced in all the different parts of the world." While that statement is too optimistic in the light of China's relative scarcity or poverty of certain mineral resources now more definitely known and in the light of the tremendous mechanical changes in America and elsewhere nevertheless it does contain much truth. In 1931, after an extensive economic survey of China, Professor R. H. Tawney, in his excellent treaties on "Land and Labor in China" suggested that China might develop and enjoy an industrialization similar to that of France where ingenuity, taste and dexterity become the basis of the craftsman's success, by developing the industries already nuclear before new ones are attempted, by replacing as far as possible and economical imported manufactured goods with home production, by working up raw silk and raw wool at home, by growing fruit and canning it, by developing other industries based upon agricultural products grown.

The future of Chinese industry among many things depends upon capital and to the extent that China desires foreign capital, even the capital of Chinese overseas, which in itself is a potentiality, an interest in the security of that capital, whether privately invested or loaned to the Government, must be manifest and maintained. A change in Chinese attitude is being observed. Foreign capital is being enlisted and utilized in the south by Kwangtung, considered the most radical section of China apart from the Communist areas, in its industrial development, in other parts of China in aviation and railroad development, and if the statements of T. V. Soong, abroad last year and the American Cotton and Wheat Loan are indicative, in the broad program of industrial development as a part of economic reconstruction foreign capital will play a part. Not only the writings of Sun Yat-sen and Sun Fo but also of Chen Kung-po and other Chinese leaders reveal an increasing receptivity to foreign capital provided it can be obtained without political encroachments. The National Government, while for a period financing itself at the expense of maintaining its foreign credit—by defaulting on the salt bonds, by failing to readjust the unsecured debt or solve the railway debt, in order that it might secure funds internally with which to carry on and maintain its position,—is now seeking to repair this default by meeting all current salt obligations, by whittling away at the arrears, by earmarking certain railway revenues for the partial liquidation of these defaults, by seeking to keep its railway debt from mounting.

Professor C. F. Remer in his recent book "Foreign Investment—in China" has made the point that the inadequacy of resources constitutes a distant or ultimate limitation upon development, not an immediate one, that the limitations upon economic development and capital movement which lie in the institutions and traditions of the people are of more immediate significance. He also points out that there are three possible lines of development, following three different economic philosophies, each of which is in some degree already planted in China, namely, State Socialism with the State supreme, Corporate Capitalism, with group individualism, and Communism built mainly around the peasant village communism of the past and the present. China's choice is not yet clear but some hope lies in the realization that proper organizational and institutional forms must be developed in co-ordination with the type of society desired.

Small scale shop, cottage and village industry in some sections is showing a remarkable tenacity perhaps because it has been able to make readjustments to changing circumstances more quickly than the more complex highly centralized modern factory industry. J. B. Tayler declared that "in North China particularly where the need is greatest village industry shows a tendency to develop rather than to diminish in the face of industrialism." There is a debate however as to the ultimate place which small handicraft industry can and will hold in China. It apparently has been rather badly hit wherever the contacts of foreign trade and modern industry have been keenest.

The effort of the Chinese Government to cope with the evils of industrialism is hopeful. Forward looking factory laws have been promulgated albeit their comprehensive character has been too ambitious for immediate fulfillment. But it represents the establishment of a definite idealism which in some respects goes beyond that of more highly industrialized countries. The agreed willingness of the various Shanghai municipal authorities in 1932 to cooperate in the enforcement of this law was encouraging even though practical results are yet to be achieved. China is however building up a corps of men competent to carry on adequate factory inspection.

Several years ago I wrote, "Some have spoken of China as transforming itself; while others have thought of it as being transformed. Some have envisioned the industrialization as equivalent to Occidentalization, while others have spoken quite apart from any implied change in the balance of the individual and social, institutional characteristics above and beyond the distinctly economic. The problem is far too broad to be treated lightly. Some writers look with apprehension upon industrialization, but for different reasons,—some because of the fear of keen competition were this great people to capture the markets of the world, others because they wish China to avoid the evils of industrialism. The former is a selfish expression, but this latter group believes it better for China's own sake to reduce to a minimum any pressure which would seem to force China to industralize, believing that China will best serve herself and the world by continuing as she has continued and by making only such economic, political and social, institutional and other changes as gradually come to pass from within her own resources and life." Today the elements of external economic pressure are visibly reduced as concerns the majority of the powers and it is becoming clear that China can make her industrial changes only one way, and that way is slowly. Today it is clear that China's industralization is bound up intimately with her entire social and institutional setting. It is recognized that while the pressure of population calls for hastened industrialization there is real danger in a too rapid transformation. China's traditional temperament may yet serve her well in developing the cautious and considered methods of solution.

In the reform of the tax machinery, the consolidation of bureaus, the unification of rates of taxation in salt and internal revenues, the centralization of financial authority. the attempt at fiscal clarity in the allocation of taxes, the development of the ideals and methods of the civil service procedure there is being demonstrated what can be done. The increase of revenues in the several departments in recent years is an indication of progress. The balanced budget of 1932 although not complete for all of China's commitments nevertheless did effect a balance of expenditures with revenues apart from borrowing. The zeal for the maintenance of the internal credit position of the government is indicative of a high sense of national responsibility. The gradual development of a leadership by the government banks is in the right direction for further centralization in banking and fiscal operations.

The development of modern style Chinese banking is heartening and most commendable. Though present conditions present tremendous demands on the leadership and foresight of Chinese bankers the experience gained in weathering the economic and political storms of recent years

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will assist. The gradual reform of the currency, the extension of circulation of moneys in wide areas, the abolition of the tael, the maintenance of reserves are in line with the increasing share of Chinese banking business being conducted by Chinese firms. Each Chinese bank shows a record of increasing capital investment and capital reserves, deposits and range of influence on the business community. The development of the Joint Reserve Board in which in 1932 twenty-six banks agreed to cooperate for the handling of bank clearings and bank reserves and the success which has attended the enterprise of the Joint Treasury banks,—the Salt Bank, the Continental Bank, the South Seas Bank and the Kincheng Bank,—are but indicative. The most significant development here has been the work of the Central Bank of China. Reference was made above also to the relationship of Chinese banking to agriculture.

The rise in urban standards of living, while fraught with some danger lest these move too far away from rural conditions, creating an obnoxious and precarious disparity, is prerequisite to an increased consumption of both domestic and foreign goods. In this area of interest mention must be made of the hopeful signs of development in public health, plans for which are being developed with League of Nations advisers.

Even disasters have brought some advantages. The efforts made by the National Government to relieve flood sufferers particularly in 1931 and 1933 and to build dykes for further protection have impressed upon the population the value of a Central Government and its interest in their welfare. So also the troubles in the North and the developments in Manchukuo have caused China to be more united, in the opinion of some, than she has ever been in recent years. So also the Communist menace has impressed upon many leaders the necessity for early and definite attack upon rural problems and by the Communists' declared interest in mass welfare has served to maintain, quite apart from the excesses to which it may resort, or the policy of suppression to which the Government might adhere, a greater social consciousness than might otherwise obtain. So also the continued existence of the Central Government in spite of these internal troubles and external aggression has caused many to realize that the Government, in spite of all its faults has made substantial progress in the face of tremendous difficulties and that at present there is no constructive alternative to this present National Government.

Perhaps most significant of all is the hope that lies in these areas of public opinion. The student movement has become less susceptible to flamboyant action, perhaps less susceptible to the stimulus of the propagandist. A more serious and steady approach to national problems is noted by many observers. Among Chinese leaders as a whole there is evident now far less than five and seven years ago the naive yet determined belief that all of China's problems would immediately be solved were she able at once to be relieved from the international inequalities that exist. Far more attention is being paid to internal problems and the realization is evident that if China is to command respect abroad she must work also to set her own house in order. It is hopeful that there is this increased sentiment directed to the solution of internal difficulties. It is not here suggested that there are not international problems growing out of unequal treaties, concessions, extrality, and foreign economic interests of real significance to China's development, nor is this said with the desire to stand in defense thereof; but China's international servitudes and whatever foreign economic domination there may be can best be eliminated by working also on the internal front. Public opinion is being affected by economic planning ideas, even by rural, social and industrial legislation as yet unrealized and thus goals may gradually evolve which can in some measure be achieved because believed in by larger body of the people.

Finally, when so many problems present themselves on the Chinese scene in a kaleidoscopic drama of intense interest to the world it is well to remember that the last act has not yet been called. It is well to remember that in any society at any time there are always integrating as well as disintegrating factors. Certainly, with all our wonted and substantiated pessimism vis a vis China, there are constructive influences at work that we should seek to discern, and in China's interest as well as our own seek to assist.

China Wants No "Manchus" in the Olympic Games

Five Japanese representatives of the Greater Asiatic Youngmen's Association arrived in Shanghai this week in order to enter into negotiations with the Chinese and Philippines authorities in connection with the participation in the forthcoming Far Eastern Olympic Games to be held in Manila, of the Manchukuo Athletic delegates. Three of the Japanese representatives later proceeded to Manila. In this connection it is to be remembered that Dr. Yamamoto, a representative of the Japan Athletic Association in Tokyo, has been negotiating with Manila officials on the same matter.

Dr. Yamamoto, was due to leave Manila for Shanghai on March 28 to enter into negotiations with the Chinese authorities. Two of the leading officials of the Philippines Athletic Union are also coming to Shanghai in order to hold a tripartite conference. Japan's official negotiations with China will be started as soon as the Manila officials arrive in Shanghai, it is reported.

Complying with request from Dr. Yamamoto, from Manila, the Preparatory Committee of the Far Eastern Olympic Games in Tokyo Mar. 23 decided to ask the attendance of Ichiro Sawada, Councillor of the Japan Athletic Association, at the proposed roundtable conference of China, Japan and the Philippines which is expected to be held in Shanghai shortly.

With a view to solving the question of the participation of the Manchukuo athletic delegates in the forthcoming Far Eastern Olympio Games to be held in Manila, the Executive Council of the Philippines Athletic Association in Manila March 23, addressed an official message to the China Athletic Union requesting it to send Chinese officials to the roundtable conference of China, Japan and the Philippines to discuss at length participation of Manchukuo in the games.

So far China has remained firm in her stand that in no circumstances should the new State of Manchukuo be represented at the forthcoming games. China replied to the Philippine Athletic Federation stating that she has no objection to the convocation of the proposed conference on condition that it is definitely understood that the question of Manchukuo's participation is not discussed.

The Manchukuo Athletic Federation at Changchun has selected Messrs. Kanda, Ogawa and Murakami, non-regular officials of the Education Department to attend the proposed conference of Japanese, Chinese and Manchukuo athletic officials to be held in Shanghai shortly to settle the question of the participation of the Manchukuo athletic delegates.

Britain Awaits Developments in Textile Dispute with Japan

D. J. Colville, Secretary of Overseas Trade, stated in the House of Commons March 21 regarding the breakdown of the textile Anglo-Japanese negotiations that the British Government did not intend to stand with folded arms and allow matters to take a course deterimental to British interests, but it was not wise to make any pronouncement while the two Governments were reviewing such a grave question.

In the House of Commons March 21, during a motion for adjournment, a Conservative member in voicing Lancashire dissatisfaction with the result of the Anglo-Japanese textile negotiations, said that he thought the Government was anxious to avoid facing an issue on the question. He urged the abolition of the most-favored nation clause and demanded that the whole British Empire be asked to do likewise. Another Lancashire member agreed but urged patience and certainly not the abolition of the most-favored nation clause.

Japan and Netherlands to Hold Official Negotiations

The Japanese Government has decided to enter into official negotiations with the Netherlands Government for the solution of the pending trade problems between the two countries, but the original proposal of the Netherlands to hold a trade conference of industrialists side by side with official negotiations between the two Governments is not viewed favorably in Tokyo. The negotiations will take place in Batavia.

Funds Being Raised to Help Flood Refugees at Huahsien

Huahsien, the city on the Yellow River in Honan which was flooded during the disastrous flood last year, is still several feet under water in spite of the efforts exerted by relief workers. The total number of flood refugees at Huahsien alone was estimated at 500,000 persons, 200,000 of whom have been sent away to places of safety by relief associations. About 300,000 persons are still in the flood region. As the authorities are unable to raise the necessary funds to move out these refugees, it is feared that some of them may starve to death. The different relief associations, however, are exerting their efforts to raise $100,000 to cover the expenses in moving out the remaining portion of these refugees from the flood area.

Roosevelt Averts Strike in U. S. Auto Industry

President Roosevelt March 26 announced the settlement of the threatened strike in the motor car industry. The main feature of the new scheme is the establishment of a triumvirate board at Detroit, under the auspices of the National Recovery Administration consisting of one representative of industry, one of labor, and one neutral. The settlement of the automobile dispute provides for absolute freedom in regard to collective bargaining for workers, who are accorded the right to choose membership of company union or of the union affiliated to the American Federation of Labor.

Fourteen motor-car companies in Detroit decided March 24 to reduce, on or before March 31, the hours of productive workers from an average of 40 to 36 a week on an annual basis and to increase wages by 10 per cent above the February rates.

Hopes of peace in the railway industry were shattered March 24, by the firm attitude adopted by the workers, who insisted on the abolition of the 10 per cent wage cut now in force.

On the Road to Communism in the U. S. A.?

Professor W. A. Wirt, one of America's leading educationists, stated Mar. 25 that he had been informed by members of President Roosevelt's "Brain Trust" that they were aiming to overthrow the existing social order of government and to replace it with Communisn, using the President in the role of a "Kerensky." The statement caused a sensation.

How Criminals Escape Justice Through Incongruitity of Laws

Homer Cummings, Attorney-General, stated before the Senate judiciary committee Mar. 19 that "America's underworld has more armed men than tha United States army and navy combined." Mr. Cummings added that legislative proposals were necessary because the "twilight" bog of authority between State and Federal jurisdictions afforded roving bands of criminals every opportunity to operate successfully.

No American Money for Nations in Default

An Administration ruling March 24 has shut the door of America's vast capital to virtually every major European government. Legislation is now pending in Congress to prohibit new advances of American money to foreign debtor nations that are wholly or partly in default.

The Federal Reserve Board March 23 approved the revised Stock Exchange Control Bill without reservation.

Overland through silk rates on U. S. railways have been reduced by two cents a pound so as to meet the competition on shipments from the Far Easts *via* the Panama Canal.

Alfred E. Smith, former Governor of New York State, resigned March 23 from the editorship of *The New Outlook*.

The trophy room of the Unknown Soldier at the Arlington National Cemetery was rifled March 23. A number of medals presented in memory of the Unknown Soldier were looted from a show-case containing souvenirs of the Great War.

The Senate Foreign Relations Committee Mar. 23 opened hearings on the world court issue. One of the first indications of the public's reaction rowards American adherence to the court was in the form of resolutions submitted to the Senate by the legislatures of Ohio, Vermont, Rhode Island, Connecticut, Maryland, Delaware Nevada, North Carolina, Oregon, South Carolina, and New Hampshire, memorializing the Senate to act favorably on the issue.

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Philippine Independence Bill Approved by U.S. Senate—President Signs

The Philippine Independence Bill, which gives the Philippines until October 1 to signify their assent to organize a republic, was passed Mar. 22 by the Senate and signed by President Roosevelt two days later. The Philippine Independence Bill was recommended to Congress on March 2 and is a revival of the Hawes-Cutting Bill granting the Philippines independence, with the important amendment that the United States will also relinquish its naval and military bases there.

"Pravda" Comments on Philippines Independence Project

Commenting upon the approval by the Americrn House of Representatives of the project granting "independence" to the Philippines, Moscow *Pravda* writes that the chief meaning of the projected attempt is to "neutralise" the Philippine archipelago, which is of tremendous strategic importance, by means of a special international treaty which would undoubtedly handicap Japan in seizing the Philippines. "Besides not granting any genuine independence to the Philippines, the project reserves the right to the United States to retain naval bases in the archipelago, simultaneously barring Phillippine sugar from entry into the United States, as persistently demanded by American sugar interests. This is the precise meaning of the project."

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Japanese Activities in Chahar Aimed at Soviets?

Recent reports from Chahar indicate that the Japanese contemplate an advance in the not distant future. The Japanese garrison in eastern Chahar has been further increased and a strong Manchukuo detachment is being maintained at Dolonor and Kuyuan. For the moment there have been no marked activities on the part of the Japanese and Manchukuo troops but there are, nevertheless, indications that the Japanese have definitely decided to move westward in the direction of Inner Mongolia. It was reported in a recent Peiping message that the Japanese intend to advance in two different directions, one westward from Dolonor to capture Inner Mongolia, thereby making a thrust at Soviet Russia and the other southward from Kuyuan. The Chinese authorities in Charhar have been instructed from Peiping to make all necessary military preparations to meet possible inroads made by the Japanese and Manchukuo forces.

A foreign military expert who recently arrived in Peiping from the North expressed the opinion that the present Japanese military activities in eastern Charhar are not intended for the capture of Urga or Charhar, but are a part of their flanking movements against Siberia in case of a war between Soviet Russia and Japan. He said that the object of the move is to cut off the communication of the Soviet troops in Siberia in case of a war and the Japanese military authorities have marked Chita as the object of their attack from Charhar.

This military expert declared that the Soviet troops have established their headquarters at Blagoveschensk. The first line of defence of the Soviet forces is Vladviostok and the second line is Chita where a large quantity of arms and ammunition are stored. The military plans of the Japanese are to cut the communication between these two lines. In order to do that, he remarked, the Japanese must attack Chita at their first opportunity after the declaration of war.

Lieut-General Harano is now at Changchun where he is organizing an inspection party to proceed to Mongolia. The party will consist of twelve persons, four of whom are Mongols.

The influx of Japanese visitors, mostly military agents, during the last few months, has given rise to considerable speculation in Chinese circles in the Taiyuan area. A certain Kawamoto attached to the Japanese military attache's office in Peiping, visited Taiyuan again last week. He was in Peiping only a few days previously.

Reporting on the movements of the Japanese troops in eastern Chahar, General Sung Che-yuan, Chairman of the Chahar Provincial Government and concurrently Commander of the 29th Army, stated that 100 Japanese soldiers at Chingfengto motored to Heihofan with military supplies March 23. No movement was made by the Japanese troops at Heitayingtze. Japanese motor trucks were busily transferring troops between Hsifengchai and Fengning.

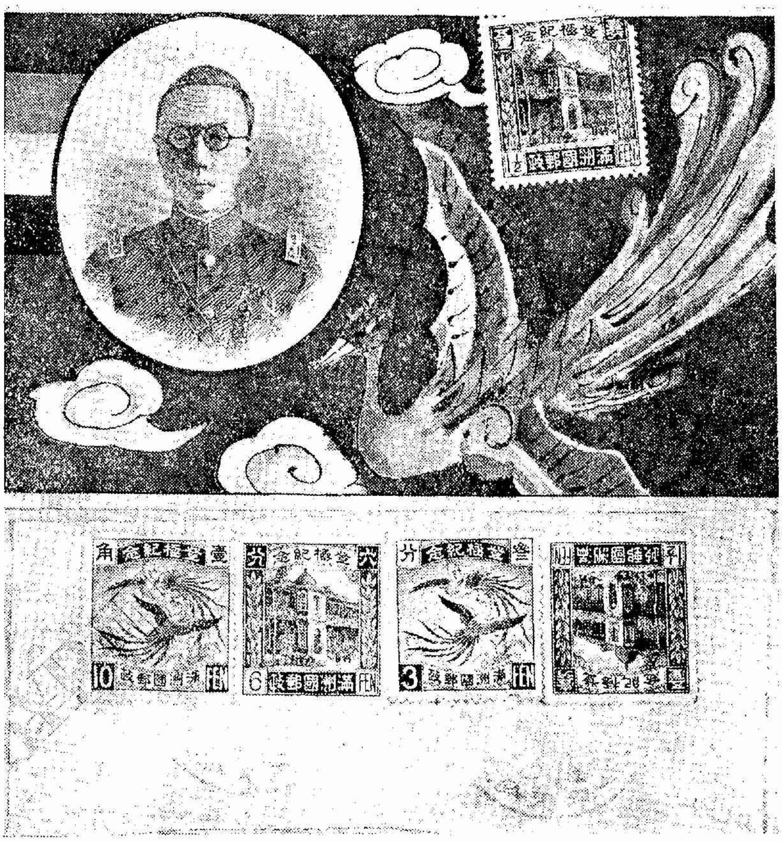
It is reported that a number of Japanese agents have recently been despatched to the various Mongolian Leagues and Banners to instigate dissension between the Mongolians and the Central authorities. The overtures of the Japanese agents, it is reported, have so far failed, as they have been rejected by the Mongolian dukes and princes. A report from Kueihua, provincial capital of Suiyuan, states that the Mongolian delegates arrived there on March 24 and called on Feng Hsi, Acting Chairman of the Suiyuan Provincial Government. They are on their journey back to Pailingmiao, where they will report to the Mongolian dukes and princes on the results of their mission to the Capital, and the attitude and policies of the Central authorities vis-a-vis the institution of local autonomy in Mongolia.

The Manchukuo troops stationed at Kuyuan and its vicinity in eastern Chahar are now undergoing rigid military training under Japanese instructors. Japanese and Korean officers have been appointed to join the Manchukuo forces. Military transportation in that region is also going on in full swing. Japanese airplanes visited Chihchen and Yunchow March 18 and 19.

Japanese in Control at Shanhaikuan

The Peiping *Chen Pao* states that Japanese troops and gendarmes are still stationed at Shanhaikuan and are interfering with the administrative affairs in the city. The Manchukuo customs house is still functioning at Shanhaikuan collecting import duties on goods intended to be sent northward while the Chinese authorities have also established custom house to collect taxes on goods coming in from outside the Wall. The telegraph and postal services at Shanhaikuan have not yet been restored to normal as the buildings for both organizations are occupied by the Manchukuo authorities. Manchukuo troops are patrolling outside of the Wall while the Chinese special police are patrolling on this side.

Several points to the east of Shanhaikuan are still in the hands of the Japanese. Hsifengkou and Sahochiao are still being strongly defended by the Japanese and no date has been fixed for the withdrawal of these troops. The Japanese authorities declare that the presence of Japanese troops at Sahochiao and Hsifengkou is necessary to protect navigation on the Luan River and the transportation between the Luantung Districts and Jehol.



Souvenir stamps and a post-card used by the Japanese in commemorating the coronation of Pu Yi as "emperor" of Manchukuo.

Yin Ju-keng, Administrative Inspector for the Kihsien-Miyun area, stated in a recent interview that arrangements had been completed for the reorganization of the special police force in Yutien which recently mutinied. The reorganized force is to consist of 1,000 men.

"The situation in North China still affords no cause for optimism," declared Tang Yu-jen, Administrative Vice-Minister of Foreign Affairs, in a statement to the press at Nanking upon his return from Peiping.

Special Committee to Provide for Greater Japanese Army in Manchuria

It is reliably reported that following the conclusion of the present session of the Imperial Diet, a special committee which may be styled as the committee for the improvement of the Japanese Army, will be established by the Japanese War Office, Army General Staff Office and the Board of Military Education, with a view to taking a united front with Manchukuo for the new State's national defence, in accordance with the spirit of the Japan-Manchukuo protocol. The number of the Japanese standing army as well as that of Japanese troops in Manchuria will be carefully considered by the proposed committee.

Lafa-Harbin Railway Competes Strongly With C.E.R.

The Lafa-Harbin Railway, which was opened for exploitation in December last, is already seriously competing with the Chinese Eastern Railway so far as traffic to and from the South is concerned. Harbin importers of petroleum products are exclusively hauling over this railway, for by doing so they are able to effect a saving in freight of approximately $800 per carload. On other merchandise, the freights charged by the Lafa-Harbin Railway are approximately from 50 to 60 per cent cheaper than those levied by the Chinese Eastern Railway.

It is reported that the Manchukuo officials of the Chinese Eastern Railway have submitted to their Soviet colleagues, for consideration, a revised scale of freight rates which they suggest should be put into operation without delay. This revised scale will result, if approved, in freight rates being reduced by as much as 40 per cent.

French Engineers Arrive in Manchukuo

Alexandre Ramone and Paul Dalard, French engineers representing five large concerns in France, arrived in Dairen from Japan March 20. The visitors, stated that they were seeking opportunities in Manchukuo, which M. Ramone said was "the safest investment place in the world." They explained that their visit was purely of a private nature, for the purpose of investigating civil engineering possibilities, and they hinted that the recent $100,000 enterprise of M. d'Ollivier was quite small in comparison with what they had in mind.

L. Leynaud, French Consul at Harbin, who is leaving Harbin for home shortly on his six months' furlough, in a recent press interview stated that the investment of French capital in Manchuria is totally different from the question of according recognition to Manchukuo by France.

Tangku Customs Stop Coolies from Proceeding to Manchuria

Three ship loads of Chinese coolies recruited from different places in Hopei by Japanese and Manchukuo agents for labor in Manchuria have been detained by the Chinese customs at Tangku. The number of Chinese coolies detained is reported to be several thousand. They have been duly repatriated by the Chinese authorities. It is reported that some of these coolies were to be used as recruits in the Manchukuo army.

Manchukuo Agents Again Active in North China

Li Chi-chun, alias General Ting Chiang as he is called by the Japanese, who was responsible for the two Tientsin uprisings and was once commander of Manchukuo irregulars in the Luantung district, has resumed his activities. It is understood that Li has already recruited more than 2,000 irregulars and bandits along the Great Wall Wall and these will be used to create disturbances in the Luantung area in the near future. Li is reported to have been appointed "Governor of Hopsi" by the Manchukuo Government.

In a Manifesto to the Nation and to the World the People's Foreign Relations Association at Nanking March 19, urged continued resistance against Japanese aggression on the part of the people and continued non-recognition of the puppet state of "Manchukuo" by the world Powers. The statement urged the nations of the world to continue adherence to their policy of non-recognition and to uphold the cause of international justice and the validity of international agreements in the interest of the peace of the Far East.

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Manchukuo Premier Gives "Thanks" for Japanese Assistance

A huge crowd, mostly school-children, gathered at the wharf at Dairen, March 22 to bid fare-well to Cheng Hsiao-hsu, the aged Premier of Manchukuo, when he left for Japan "to offer thanks to the Japanese Government and people on behalf of the Manchu Empire." A large number of police was on duty to see that no untoward incident should mark the departure of the Premier and the 20 other members of the Goodwill Mission. The party duly arrived in Tokyo several days later. They were received by the Japanese Emperor March 27.

Ambassador Hishikari March 27 proceeded to the Palace of Emperor Kang Teh at Changchun and presented gifts from the Emperor of Japan, in the form of a beautiful lacquered book-shelf to the Emperor himself and an embroidered folding screen for the Empress, in congratulation of the recent accession to the Throne.

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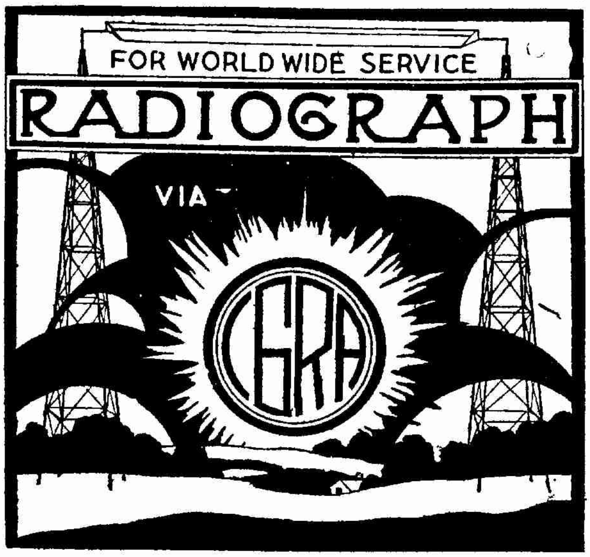
Cantonese Still Urge Expedition Against "Manchukuo"

Chow Lu, of the C.E.C. and the Political Council, made a speech at Canton March 19 commenting that the Central government still keeps silent when China's enemies are doing something to the detriment of the nation. In the course of his address Mr. Chow said that after the signing of the humiliating Tangku Agreement, all those armies such as the 19th Route Army, Generals Sun Tien-ying, Chi Hung-chang, Feng Yu-hsiang, and Fong Chin-wu have either been exterminated or expelled. People have kept silent and the government itself seems to have surrendered to the enemies. At a meeting of the Kwangtung Provincial Kuomintang Representatives Conference held in Canton March 16 a telegram was ordered to be sent to the Central authorities urging them to launch a punitive expedition against the "puppet state" of Manchuria.



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Soviets Demand Liberation of Arrested Soviet Citizens

A telegram from Harbin during the week stated that the Manchukuo Government has definitely decided to keep in custody the two Soviet army fliers who made a forced landing in Manchukuo territory two weeks ago. Appeals from Soviet officials for release of the two men have been rejected.

Recent Russian telegrams alleged that the delivery of foodstuffs to Soviet citizens imprisoned by the Manchurian Railway Police has been prohibited, and that there were cases in which prisoners were beaten.

As the conditions of the arrested Soviet citizens, (particularly one Ferenz, who was arrested in November last year and against whom no charges have been brought) have become worse, Soviet Vice-Consul Dribinsky visited the Manchukuo Acting Diplomatic Agent, Shimamura, Mar. 28 and categorically insisted upon the immediate liberation of Ferenz and also the others. He emphasized that the Manchurian authorities were fully responsible for their lives, and for the state of their health. Shimamura promised to communicate with the authorities.

Japanese Raid Soviet School in Harbin

A group of representatives of the Manchurian Department of National Education, accompanied by police officers and headed by Mr. Takahashi, Japanese Counsellor of the Department, proceeded to the Chinese Eastern Railway Technicum at Harbin, a technical school for the children of Soviet railwaymen, on March 19, and confiscated 10,000 books from the school library, these being taken away for examination by the department.

Official Announcement on Japanese Casualties at Ilan

According to an official announcement by the Kwantung Army Headquarters, Captain Kitagawa was killed and over 60 officers and other ranks were wounded in the serious engagement with about 1,300 bandits, near Ilan, on the night of March 19.

The Kirin Cavalry Corps of the Manchukuo Army encountered fifty "bandits" at point west of Hsiaochengtzu Station along the Kirin-Hailun Railway line, March 18. The Japanese report states that more than half of the bandits were killed in the encounter.

⁂

Anglo-Soviet Trade Agreement Ratified

M. Krestinsky, Assistant Commissar of Foreign Affairs, and Viscount Chilston, British Ambassador to the Soviet Union, March 21 exchanged, at the Foreign Commissariat in Moscow, ratification papers on the trade agreement signed between the Soviet Union and the United Kingdom at London on February 16.

New Instructions for Opium Growing in Manchuria

The Department of Civil Affairs at Changchun, March 23 issued through the Kirin Provincial Government the following instructions to districts where poppy cultivation is allowed:

"The cultivation of poppy will be prohibited in border districts, dense forests and in mountainous areas where public peace would be difficult to maintain. Poppy growers are consequently advised to select districts where it is possible to maintain public peace. If possible they should group themselves and cultivate poppy in designated areas.

"They are asked to differentiate between licensed and prohibited districts in the designated hsien (governmental district) and to co-operate with public peace maintenance associations and other organs for the preservation of peace.

"In accordance with the foregoing policy, of the hsien where poppy cultivation has been already permitted, some may be cancelled or the cultivation area for each household may be enlarged."

In a circular issued at Geneva, March 20, the Secretary-General of the League of Nations draws the attention of the chief opium-producing and manufacturing countries to the necessity of supervising most strictly any application for the reintroduction of narcotics "into the Manchuria and Jehol territory known as Manchukuo."

Kiangsu Organizes Anti-Opium Bureaus

For the purpose of prohibiting further opium cultivation and smoking in the province the Kiangsu Provincial Government has decided to organize a special anti-opium bureau. According to tentative plans the bureau is to have its head office in Chinkiang with branches in every district in the province. Attached to the bureau will be a number of hospitals where all opium addicts are to be sent after they have been arrested and duly fined.

China National Aviation Conference

A national Aviation Conference will be held in Shanghai on May 5. The meeting will be attended by representatives from different provinces and cities when measures will be drawn up for an organized campaign for developing aviation in this country.

Lost Pan-American Air Liner Found Buried Under Snow in Argentine

An airplane half-buried in the snow at Mendoza, Argentine, with four well-preserved bodies inside and four others buried beneath the machine, found March 22 proved to be the giant Pan-American liner, *San Jose*, which disappeared in July, 1932. The *San Jose* was proceeding from Chile to the Argentine with 15 persons aboard her, when she became lost while crossing the Cordilleras in a blinding snowstorm.

Three members of the crew of a large Pan-America air liner were killed in Lima, Peru, Mar. 22 and a number of others injured, when the airplane crashed near the airdrome shortly after taking off.

China Aviation Company Signs Contract With C. M. S. N. Co.

The China Aviation Company has signed a contract with the China Merchants Steam Navigation Company for joint transportation. The agreement provides for the institution of through traffic service on land and air. Under the agreement, the airplane services of the Shanghai-Peiping, Shanghai-Canton and Shanghai-Chengtu Airways will connect with steamers of the C. M. S. N. Co., plying along the Yangtsze River and the North and South China Coast.

Chinese Air Force to Be Unified

The Central Government authorities are drawing up plans for the unification of all air forces under the National Aviation Bureau in Nanking. Under the new arrangement all independent air forces will be abolished and they will be reorganized according to the system adopted by the Central Government.

Soviet Airmen Reach Okhotsk en Route to Save "Chelyuskin"

Vodopianov, Galyshev, and Doronin, the three Soviet airmen flying to render assistance to the "Chelyuskin" expedition, arrived at Okhotsk, March 22, having covered 2,000 kilometres in three days,—almost half of the 4,500 kilometres between Habarovsk and Providence Bay.

Captain Smirnov of the ice-breaker "Krassin," (which will relieve the "Chelyuskin") announced in Leningrad March 22 that the western route had been chosen, via the Atlantic Ocean, the Panama Canal, the Pacific Ocean, the Aleutian Islands, and along the Alaskan shore to Bering Strait. This route of 12,380 miles would require 47 days, about eleven days less than by the eastern route via the Suez Canal.

New Soviet Amphibian Plane Produced at Moscow

The Airplane Scientific Research Institute of the Soviet State Civil Air Service has completed the construction of a new type of universal amphibian plane, the "Sh-5," designed by Engineer Shavrov. It is fitted with two powerful engines of 480 h. p. each, and holds fourteen passengers.

Commander Frank M. Hawks having returned from Canton after a week's visit to Canton, made a radio address in Shanghai over station XMHA on March 26 on "Injustices of the Air Mail Situation."

⁂

Airplane Factory Under Construction at Hangchow

According to reports in the Chinese newspapers, work has started on the new Chinese Government airplane factory at Hangchow, which will have a capacity of 60 planes a year. The factory represents an investment of more that $5,000,000 in Chinese currency and will employ 12 foreign technical men and 500 Chinese mechanicians. The Government will take the entire output of the factory. While the engines and other materials will be purchased abroad at the beginning, the Chinese authorities hope to manufacture more and more of the equipment in China, the factory thus serving as the nucleus of an extensive Chinese aviation manufacturing enterprise.

Another home-made airplane will be completed in May, at the Amoy Airplane Works under the Naval Ministry. With the new plane, Captain Chen Wen-lin, pioneer naval airman, will make another flight over the country.

Thirty "Fleet" Planes Ordered by National Government

Thirty additional "Fleet" airplanes manufactured by the Consolidated Aircraft Corporation, Buffalo, N. Y. were recently ordered by the Central Government. The memorable flight in January of six U. S. Naval flying boats from San Francisco to Honolulu was achieved by the P2Y-1 type of plane manufactured in Buffalo by the Consolidated Aircraft Coporation, which last month received an additional order from the U. S. Navy for twenty-one more of these large flying boats of a somewhat improved type.

Who's Who in China

梁士純

Hubert S. Liang (Liang Shih-shun)

Hubert S. Liang, social worker and university professor; born at Nanchang, Kiangsi, August 5, 1903; received his early education at Nanchang and Kiukiang in both Government and mission schools; entered William Nast Academy (then known as William Nast College) in 1916 and went to the United States to continue his studies, 1920; he attended the following schools in U.S.A.: Baldwin-Wallace College (Ohio), DePauw University (Indiana), and University of Chicago (Illinois); for a year and a half, he was enrolled as a student in the Ford School of Technology, Michigan; his interest was first in engineering which was later shifted to journalism, publicity and the field of public relations counsel at large; worked in the *Detroit News* from 1926 to 1928 when he returned to China; since his return, he has acted as a special correspondent for the *Detroit News* in Shanghai; appointed secretary of the National Committee of Y. M. C. A's of China, Spring, 1928; later he became executive secretary of the general division of the Committee; lectured on journalism in the East China Summer School in Shanghai for two Summers, 1928-29 and at the University of Shanghai, 1929-30; lectured on Social Publicity at the Y. M. C, A. Summer School held at Kuling, Kiangsi, Summer of 1931; went with Dr. David Z. T. Yui on a special goodwill mission to the United States in Autumn of 1932 on behalf of Chinese people's organizations in Shanghai; when Dr. Yui broke down in Washington, D.C, in Jan. 1933, he was in charge of the work of the mission; returned to China to confer with leaders of the Government and the people April, 1933 and then went back to the United States to resume the work of the mission; delegate to the 5th Biennial Conference of the Institute of Pacific Relations held at Banff, Canada, August 1933; travelled in Europe on way of return to China and arrived at Shanghai, Winter, 1933; now professor at Yenching University, Peiping; author of "The Applied Publicity" in Chinese; address: Yenching University, Peiping.

梁士純，年三十一歲，江西南昌人，幼肄業九江同文書院，一九二十年赴美留學，先後入包爾文華利斯學院，地包大學，支加哥大學及密希干福特工業學校，彼初對於工程學頗具興趣，繼喜研究新聞學及社會宣傳學，一九二六年任地屈勞新聞報記者共三年，一九二八年返國，任該報駐滬通信員，返國後被中國青年會全國協會聘爲執行幹事，一九二八及一九二年 夏季任上海華東暑期學校新聞學講師，一九二九至三十年任上海滬江大學新聞學講師，一九三一年 夏任牯嶺青年會暑季學校社會宣傳學講師員，一九三二年與余日章博士代表上海各團體赴美從事聯絡工作，一九三三年四月返國一行旋又赴美，是年八月太平洋協會在加拿大板浦開第五次大會任爲中國代表，返國道經歐州考察各國對華輿論，一九三三年底返滬，現任北平燕京大學教授，著有實用宣傳學一書。

Japanese Admiral Visits Canton for First Time Since Mukden Affair

The first visit of a Japanese admiral to Canton since the Japanese occupied Mukden in September, 1931, took place March 22, when Vice-Admiral Shinjiru Immamura, commander of the Japanese fleet in South China waters, arrived there from Hongkong aboard the Japanese destroyer *Asbi*. Two other destroyers accompanied him, the *Hisbi* and the *Sumira*. Vice-Admiral Immamura called on General Chen Chi-tang, Commander-in-chief of the Kwangtung military forces.

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CUSTOMS NOTIFICATION NO. 1350

The public is hereby notified that in accordance with Government instructions Article 4 of the Regulations for Bonded Tank and Warehouses for Petroleum Oils has been amended to read as follows:

"Bonded Tanks and Warehouses for petroleum oils, classes (a) to (c) inclusive, shall be considered private bonded warehouses and shall be subject to the regulations for private bonded warehouses as provided for in the General Bonding Regulations Articles 29, 31, and 32, unless other specific provisions have been made in the present regulations."

H. O. Tong,
Superintendent of Customs.

A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 27th March, 1934.

Men and Events

Dean Thomas Wesley Graham of Oberlin, Ohio, occupied the pulpit of Shanghai Community Church, Palm Sunday, Mar. 25.

The Japanese Minister and Mrs. Akira Aroyoshi were "at home" at their residence 179 Route Pichon, Monday, March 26, from 5 to 7 o'clock.

The death occurred in Tokyo, March 23, at the age of 70 years, of Ryohei Okada, former Japanese Minister of Education.

Miss Yen Hu-hao, daughter of a an Indo-Chinese official, was married March 2 to the 21-year-old Emperor of Annan, Bao Dai.

Commander Thomas Shock of the Naval Operations Staff in Washington, has been ordered transferred to Peiping, as naval attache of the American Legation.

The Sultan of Johore and the Sultana were entertained by Mayor Wu Teh-chen at his residence in Shanghai March 23. The couple proceeded to Japan the following day.

The Czecho-Slovakian Consulate at Shanghai has been abolished. Robert Feitscher, Czecho-Slovakian Minister to China, will take over the duties of the Consulate-General.

M. Hobdenot, the French Charge d'Affaires, was the guest at luncheon at Nanking March 22 of President Wang Ching-wei, concurrently Minister of Foreign Affairs.

Henceforth only persons of Chinese nationality may apply for fishing licenses, according to a ruling of the Ministry of Industry March 24.

The new Board of Directors for the Peiping Palace Museum, recently appointed at a meeting of the Executive Yuan, will hold its first meeting in Nanking on April 2.

Mrs. Chiang Kai-shek and Mrs. H. H. Kung returned to Shanghai from Nanking March 23. Mrs. Chiang had been in Kiangsi with the Generalissimo during the last several months.

Robert George Howe of the British Foreign Office has been appointed successor to E. M. B. Ingram as Counsellor to the British Legation in China. He is due to arrive here from London next month.

General Ma Chan-shan has abandoned his proposed trip to the United States. following attempts on his life at Tientsin, last week, instigated, it is said by his political enemies. It is predicted that he will eventually move to Shanghai.

Peng Kuo-yen, former District Magistrate of Peihsien, northwestern Kiangsu, was sentenced by the Chinkiang District Court Mar. 23 to five years' imprisonment in addition to a fine of $3,000 on charges of fraud.

A new record for motor car travel from Hanoi to Saigon, French Indo-China, was recently made by Orsini, who drove a Model 18 V-8 Ford between the two cities in 25 hours and 20 minutes.

Joseph Pulitzer, one of the sons of the late Joseph Pulitzer, for many years editor of the *New York World* and himself publisher of the St. Louis *Post-Dispatch*, passed through Shanghai last week on a round-the-world tour.

T. O. Thackrey, editor and general manager of *The Shanghai Evening Post*, has returned to his home after a light attack of smallpox. He is not expected to return to his duties, however, before the middle of next week.

Under orders of her husband, Mrs. Ku Jen-fa, wife of the Director of Civil Affairs Department of the Kiangsu Provincial Government, was arrested March 21. The lady was charged with being involved in embezzlement and fraud as well as in accepting bribes.

Thirteen laws were promulgated by the German Cabinet March 23 one of which is tantamount to a forced loan. It compels companies which paid at least six per cent dividend in 1933, to invest the difference between the 1933 dividends and future profits, in state or communal loans.

Press reports that during his recent visit to the capital, Dr. W. W. Yen, Ambassador to Moscow on furlough, had discussed with M. Bogomoloff, the Soviet Ambassador, measures for the settlement of various outstanding Sino-Soviet issues, were emphatically denied at the Ministry of Foreign Affairs Mar. 23.

Marshal Chang Hsueh-liang told the *Chekiai* correspondent at Hankow March 24 that he would be unable to go to Shanghai to meet Madame Chang when she arrives from Europe at the beginning of April. Since his assumption of office, his work has been so heavy that it will be impossible for him to leave Hankow, he said.

Five Chinese, who together with eight Japanese and five Koreans formed the crews for two Dairen fish trawlers, assisted their comrades in repelling attacks of pirates when the trawlers ran aground on a sandbank about 90 miles south of Dairen, along the Shantung coast, last week. They all returned safely to Dairen Mar. 26.

Edwin Haward, editor of the *North China Daily News*, will depart from Shanghai for England on leave in the near future, accompanied by Mrs. Haward.

Negotiations between the Shanghai Municipal Council and the Shanghai Gas Co. have resulted in an arrangement whereby the latter is to pay a royalty of $50,000 to $60,000 a year for use of the streets to lay gas mains.

The Soviet Ambassador and Mrs. Bogomoloff gave a reception at the Soviet Consulate General in Shanghai Mar. 27. Several hundred persons, including diplomatic, military and business representatives, were in attendance.

Dr. L. Rajchman, director of the Health Section of the League of Nations, who is in China to supervise all activities connected with technical callaboration between the League and China, will sail for Europe next month in order to confer with officials of the League.

J. Usang Ly, president of Chiao-tung University, gave a farewell dinner at the New Asia Hotel March 23 in honor of Mrs. Kenneth Cantlie and R. Morrison who will soon leave for England. Other guests were Kenneth Cantlie, G. A. Haley, Prof. and Mrs. A. F. Barker, Prof. and Mrs. S. Z. Wang, Kenneth C. Barker and S. W. Tsai.

Henry K. Murphy was the speaker at the March tiffin of the American University Club held Tuesday, March 27, at the Astor House Hotel Grill Room. Mr. Murphy came out to the Orient in 1914 and designed groups of College buildings and numerous banking and commercial buildings. He is at present connected with the Realty Investment Company.

The origin of influenza is the infected properties of the mud of the Yellow River, according to an article published in the *British Medical Journal* in London March 24, by Dr. Howard Wise. Dr. Wise predicts that the world will be ravaged again in 1946 unless in the meantime the plague spot is recognized and the Yellow River effectively dredged.

Anna Louise Strong, at present a resident of Moscow, on her return to that city from a trip to the United States, where she gave more than forty lectures on the Soviet Union, writes that there has been a great increase in friendly feeling towards the Soviet Union in the last three years. Miss Strong is on the editorial staff of the Moscow *Daily News*. She was in China in 1927.

Owen Lattimore, author of "High Tartary, the Desert Road to Turkestan" and "Manchuria, Cradle of Conflict" and other notable works, has been appointed editor of *Pacific Affairs*, published by the Institute of Pacific Relations. He will be assisted by such distinguished writers as Professor Arnold J. Toynbee (British), Bruno Lasker (American), Samitaro Uramatsu (Japanese), and Dr. D. K. Lieu (Chinese).

The Communist leader, Tom Mann, who was brought up at the Ponty Pridd (Wales) police court March 21, was committed to trial at the next Glamorgan assizes on a charge of having uttered seditious speeches. He was allowed bail in the sum of £200. Mann was in Hankow in 1927 and actively supported the movement against the British government at that time.

The Shanghai City Government and French Authorities are negotiating regarding an alleged dispute between police of the two municipalities. The French police have been objecting to the presence of Bureau of Public Safety men on traffic duty at Siccawei. The Chinese are said to have objected strenuously to a French detective in plain clothes who entered Chinese controlled territory.

Abbot Chao Kung (I. T. Trebitsch-Lincoln) departed from Shanghai March 25 with 10 disciples to establish the first Buddhist monastery in Europe. Chao Kung said that not only did he see no headway in Christianity in China, but he could not see it making any headway in the whole world. Christianity has reached its zenith and is dying in America and Europe, he said. In the United States there are bridge whists, and other affairs within church walls which have nothing to do with religion, he added.

British Radicals Appeal on Behalf of Imprisoned Chinese Leader

A manifesto sign by Tom Mann and other radical and labor leaders of Great Britain, received in Shanghai during last week, appealed to "Save The Life of Chen Du Siu!" on the ground that this workers' leader has a virtual death sentence in the 13-year term meted out to him in China. The document, among other things, says that Chen has had a long record of service in the struggle of the Chinese people for the freedom. Born in 1875, in his early years he worked mainly in the sphere of editing radical and literary papers and in educating the youth of China, founding for this purpose the monthly *The Youth*, a paper which played an important role in the development of the Chinese social and cultural movement.

The appeal urged all working-class bodies to join in the demand for the release of this fellow fighter in the cause of the emancipation of the working-class. All protests are asked to be sent to the Chinese Embassy, 49 Portland Place, W.1. London, and to the Socialist and Communist press.

COMMUNISTS AGAIN ACTIVE ON MANY FRONTS—NANKING-CANTON RAPPROCHEMENT NEARING

(*Continued from Page 168*)

the principles of the Movement, the paper said that if it is to succeed, it must fulfil two conditions: improvement of the living standard of the people and strict observance of its principles by the ruling class. "When a man does not know where his next bowl of rice will come," commented the the paper, "it is futile to expect him to practise the virtues of decency, propriety and benevolence." The editiorial concluded by saying "The present movement is bound to fail, if our officials continue to live luxuriously and wastefully, while merely rendering lip-service to its deals. The Government leaders must set an example of thriftiness for the common people to follow."

Nanking Notes

The National Government has decided to call a National Finance Conference in June. The Finance Ministry has already appointed a Committee of Four to make preparations for the conference.

The Panchen Lama will shortly proceed to Hangchow to lead a prayer meeting which is scheduled to be held some time in April.

In a letter to his colleagues in Nanking, as published in the *Central Daily News*, General Yang Chih, Head of the Chinese Military Mission to Europe, who recently visited Italy, paid a glowing tribute to Fascist Italy and especially to Signor Mussolini. General Yang thinks that a good comparison can be drawn between pre-Fascist Italy and the China to today. He notes that since Signor Mussolini assumed the reins of power in 1922, Italy has risen to become one of the five big Powers in the world and assumed a certain measure of leadership in world affairs. General Yang was deeply impressed by the personality of Italian leader, with whom, be says, the whole Italian nations shares sorrow and joy.

Shanghai Trade Returns Show Unfavorable Balance

An unfavorable trade balance of Customs Gold Units 14,390,799, or $27,990,104 in excess of imports during February was revealed by the Shanghai Monthly Returns of Foreign Trade published by the Statistical Department of the Inspectorate-General of Customs. The total turnover of all Shanghai's foreign trade amounted to $65,327,218 with the imports reaching $46,658,661, and exports $18,668,557. The total Shanghai foreign trade for the first two months amounted to $154,759,753.

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U.S. Trade with the Orient Shows Marked Increase

A marked increase in American trade with the Orient during the last six months of 1933 was revealed March 15 by statistics issued by the Department of Commerce. In said period the United States imported from China goods to the value of U.S. $23,957,000 as compared with goods valued at $11,244,000 for the same six months in 1932. The United States exported to China $32,343,000 worth of goods during this time, while the 1932 export figure was $4,345,000.

American imports from Japan for the last six months of 1933 totalled $79,279,000 as compared with $65,340,000 for the semester of 1932. Exports to Japan increased from the 1932 figure of $57,880,000 to U.S $92,941,000 in the last half of 1933. Figures for the whole of Asia show a similar increase.

Decision in "Sheng An" Trial Is Postponed

The decision of the Dairen District Court in the *Sheng An* piracy case will not be made known on March 29, as previously announced, but will be postponed till a later date. It is understood that diplomatic negotiations are at present proceeding for the extradition of the four Germans involved in the case. At the concluding session of the trial on March 8, the prosecution recommended the death sentence for Hugo Taudien, Heinrich Westermann, Arthur Gautschi and Walter Muller, and a life sentence for George Schreider, the five Europeans alleged to be concerned in the piracy of the Chinese cargo vessel *Sheng An* on June 28 last year and the murder of ten persons aboard the steamer. All the accused are Germans with the exception of Gautschi, who is a Swiss.

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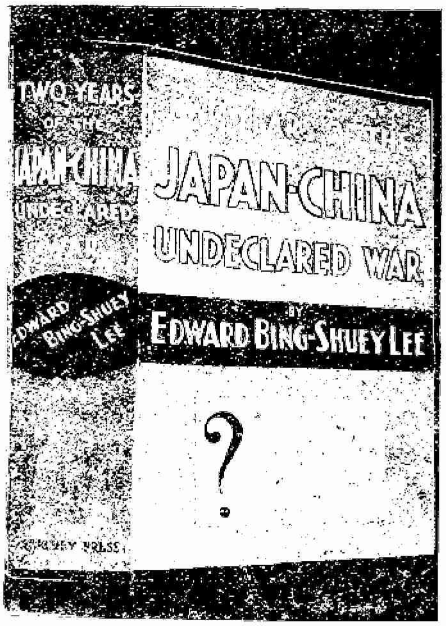

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CHINA WEEKLY REVIEW

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New Books of Interest in the Far East

Celestial Maternity—and Tragedy

The Mother, by Pearl S. Buck; published by The John Day Company, New York City.

A new book by Mrs. Buck is now an event of major importance in the literary world, and the volume under review is fully up to the high standard of *The Good Earth* and *Sons* in presenting the grim, poignant chiaroscuro of Chinese peasant life.

This reviewer, however, desires to disclaim emphatically any personal competency to criticize Mrs. Buck's accuracy, for such competency could only come from long residence in the interior of the country and a thorough knowledge of the language, but on the basis of all evidence brought forth by her previous books, it may now be set down with considerable dogmatism that she knows rural China and its people more intimately than probably any other foreigner and also more thoroughly than most educated Chinese,—for in perhaps no other land is there as great a gulf between the intelligentsia and the masses as there is in Cathay. There are a few exceptions, like Lusin, among the left wing intelligentsia, but apparently not many even in this group.

Perhaps the best proof of Mrs. Buck's exactness is the fact that all Chinese critics who have damned her have done so largely on childishly chauvinistic grounds. The first prize here goes to Professor Kiang Kang-hu, of McGill University, who founded the now non-existent Socialist Party in this country. Save on minor points, Professor Kiang does not question Mrs. Buck's correctness of portrayal, but in an almost incredible flight of asininity he scores her for writing about persons who "*may form the majority of the population of China, but they certainly are not representative of the Chinese people.*" In consequence, she gives foreigners a bad impression of the country!

Many leftist critics, of course, denounce Mrs. Buck for neglecting or misrepresenting the class warfare in China. Certainly both proletariarn and peasant Red struggles are worthy of sympathetic treatment in fiction, and it may well be doubted whether Mrs. Buck's background has fitted her for this task, but to say that she has limits in writing does not detract from what she has done. Further, a Marxian viewpoint is not essential in depicting, although it may be invaluable in understanding, character—and a novelist should be judged primarily by his or her power of depiction. And communists might profitably recall that Lenin was an ardent admirer of Tolstoy as a novelist although he abhorred him as a philosopher.

In *The Mother*, as in her other novels, Mrs. Buck deals with that still largest part of China which has not been affected at all, or but vaguely, by communism. One of the characters in *The Mother*, a son, does become a communist, however, but along with all his comrades he is executed before any Red success is achieved. Which is surely typical. And while no effort is made to give an full length portrait of the Red group or their ill-fated labors, Mrs. Buck does present reactions that ring true of the average Chinese peasant when he first hears of the communists or their principles.

"There are no robbers near these days that I have heard tell of," says the mother on one occasion, "except that new kind in the town they call the communists, who do not harm the poor, they say."

Later, her son tries to tell her very simply what communism is all about without mentioning its name: "some day . . . . we shall all be eased, and there shall be no more rich and no more poor and all of us shall have the same."

"Now this was the wildest talk the mother had ever heard," Mrs. Buck records in a fine description of the vacuous fatalism that shrouds the bulk of China's masses, "for well she knew heaven wills who shall be rich and who shall be poor, and men have naught to say but take their destiny and bear it."

The execution of the communists is described very vividly; the son of *The Mother*, with but little education and new to the cause, was pale and faltered, but the *morale* of the group was so high that even one of the sheep-like mob who stared vacantly at the slaughter was moved to comment on how "full of courage" they were.—Thus the Red episode in the book is not profound, but it is balanced and without any obvious trace of bias.

Only the character of *The Mother*, who is given no name, is described in detail. Mrs. Buck has sought to present in her a typical mother of peasant China; illiterate, hard-working, she bears two sons who live, one of whom becomes a communist and the other a dull, plodding farmer who is willing to take his "destiny and bear it;" there is also a daughter who becomes blind from an eye-disease.

When the children are still young, the mother's man, who has the streak of the rebel in him like his Red son, tires of his futile destiny and disappears. The rest of the book is devoted to the efforts of the mother to support her children and save her "face" by concealing from the village that she is a deserted wife. She succeeds in keeping up appearances by going to a letter-writer in a distant place and faking letters from her husband to herself. After several years she fakes a letter announcing her husband's death. There is also a wellwrought episode of her seduction by the landlord's agent and the consequent abortion to keep her neighbors from learning of her fall from grace. In conclusion there is a grandson to provide a biologically happy ending.

Interwoven, are accounts of the landlord's exactions, pictures of the stark poverty of the average Chinese family, and all the bitter factors that go to make a Chinese village one of the most tragic and desolate places on earth, at least to an outside observer. Especially revealing is the following:

"When all the grain was measured out the village must set a feast before the agent (of the landlord) and every house must give a dish. Even in this lonely year the mother caught a fowl and killed it and cooked it for the feast . . . . The savor of that fowl and its smell . . . . were more than the children could endure and they hung about the kitchen and the boy cried, 'I wish it were for us—I wish we ever could eat a fowl ourselves-' But the mother was bitter with her weariness and she answered, 'Who can eat such meat except a rich man?' "

While Mrs. Buck's mother is doubtless very typical in her character and reactions to life, certainly the story as briefly outlined contains several episodes not ordinarily in the life of a Chinese peasant woman. This, of course, is not an adverse criticism of the book, but in giving the mother no name and, in fact, not giving any of the characters names—merely identifying them as "the mother," "the daughter," "the elder son," etc.,—it seems that Mrs. Buck is attempting to stamp them with a universality that is not justified. Following the conventional form in the novel would have made the book somewhat clearer reading, and also saved Mrs. Buck from a suspicion of affectation,—a suspicion that is all the more pronounced because of her ponderous style which would be better adapted to theological discussion than fiction. Everyday life in any land is best dealt with in everyday language.

But probably no book of the present year will repay reading as much as *The Mother* even though one may growl a bit over such heavy English as "her forty and third year" and "a flux came out of the air and laid its hold upon her."

W. B.

A Treatise by the "Money Doctor of the World"

Kemmerer on Money, by Edwin Walter Kemmerer. Philadelphia: The John C. Winston Company.

The author of this work is popularly known as "the money doctor of the world." He has taken a leading part in reorganizing the monetary systems of twelve countries, including China, and has filled numerous positions connected with monetary and economic matters. He was born in Scranton, Penna., June 29, 1875, is LL.D of Wesleyan University, Ph. D. of Cornell, LL D. of Occidental College; in addition to holding several honorary degrees from South American countries. He was financial adviser in the Philippine government service 1903-06. After a long interval as an instructor in various universities he became financial adviser to the government of Mexico in 1917 and of Guatemala in 1919. After studying financial matters in Europe during the great war, he served as U. S. trade commissioner in South America in 1922, was chairman of the American Commission of Financial advisers for Chile in 1925; chairman of a similar commission successively in Poland, Ecuador, Bolivia, and several other South American countries. One of his outstanding appointments was as head of the American Commission of Financial Experts to China in 1929, when he drew up a recommendation that China should eventually adopt the gold standard. One of the substantial fruits of the recommendation was the adoption of the gold unit (*Gold* $0.40) by the Chinese customs. Since his work in China, Dr. Kemmerer has made further investigations in South America, and continued his work as a contributor to economic magazines and teaching in American Universities. He is at present Walker Professor of International Finance at Princeton University.

Dr. Kemmerer is an out-and-out protagonist for the gold standard. He has little sympathy with silver or its devotees. He expresses the opinion that in the United States silver is a political question and not an economic one. To his mind the silver question has become important because there are seven States each of which produces a substantial amount of silver and each of them has two senators; incidentally he mentions that these seven states, although they produced 95 per cent of America's total silver output, nevertheless had less than three per cent of the country's population. He mentions also that the total value of the silver output is only one per cent of that of the wheat crop. Regarding the silver purchase plan now before Congress he says that the silver purchased by the United States would serve no useful monetary function, but the competition of this American-produced silver market would help India sell its enormous surplus of monetary silver at better prices and lessen the depressing influence of these Indian States on the silver market.

The book starts with a chapter on the gold standard. This standard Dr. Kemmerer describes as the best standard with which the world has had any extended experience. He says the urgent monetary problem of the immediate future is not a national problem of creating a substitute for the gold standard, but rather an international problem of making the gold standard a better standard.

One of the chapters discusses the Roosevelt gold purchase plan. Dr. Kemmerer says this is not sound as a stimulant to price advances in America's foreign trade. Germany's inflation is discussed in another chapter. He said in Germany inflation robbed one economic group or social class for the benefit of another, doing it without rhyme or reason. The last chapter is entitled "The Way Back to Gold," a sub-heading under which is, "Gold Bullion Standard Recommended."

But with all his erudition Dr. Kemmerer does not explain how it comes about that China with a silver standard is paying dollar for dollar on its announced basis, whereas the principal gold standard countries are not doing it, mostly because they are not in a position to. Nor is it explained why producers of gold as a precious metal should have been treated by the United States (until the Roosevelt administration came along) on a fairer basis than producers of silver. Gold had free coinage—why not silver? If the ratio of 16 to 1 would not work then why not some other ratio? But why not the same *freedom* for both metals?

G. W. M.

Expert Opinion on the N. R. A.

Recovery and Common Sense, by O.M.W.Sprague. Houghton Mifflin Co., Boston, 1934. Price $1.00.

This volume deserves its title. It is an application of common sense to the program of the Roosevelt administration. Professor Sprague speaks out of an almost unrivaled knowledge of both the theoretical and practical side of economics. For many years he was a professor of economics at Harvard University. More recently he has been economic advisor to the Bank of England. At the beginning of the Roosevelt administration he left his attractive foreign post to go to Washington as economic advisor in the Treasury Department of the United States. His advice seems to have been disregarded in Washington and so he resigned. His analysis is now available to the public in this little volume—*Recovery and Common Sense.*

According to Sprague the N.R.A. is a mistake. It is likely to harm the public in the long run by keeping prices artificially high. The public works program is, in his opinion, at best a temporary expedient. When it is abandoned it will entail difficult problems of readjustment for the workers who have been on the government pay rolls will have to be reabsorbed into private employment. The subject treated at greatest length in this book is the monetary policy pursued by Washington. Here he voices the opinion that the manipulation of the currency during the past ten months has so unsettled business confidence that it has materially retarded recovery.

Readers desiring a brief account of what is going on in Washington can not do better than to read this little book.

W. B. S.

F. D. Zau Collects Writings in Brochure

F. D. Zau, secretary of the International Dispensary, is an indefatigable contributor to the correspondence columns of the *North China Daily News*, over the signature "F. D. Z." He has collected his contributions into a brochure of more than 100 pages entitled "Glimpses into the Problems of China."

Keeping Yourself Fit.

Most people now-a-days understand, and practise in more or less degree, the simple rules of personal hygiene. They know that to keep well they must avoid excess in eating and drinking, must take sufficient outdoor exercise as well as have sufficient rest and sleep. Yet, despite such observances, many find themselves below par in general health—they feel weak, nervous, inefficient, lack appetite and spirit, cannot sleep soundly, are depressed and pallid, have aches and pains, which seem difficult to account for and totally undeserved.

Are you one of these unhappy sufferers? If so, look to the condition of your blood, for most likely therein lies the whole secret of your troubles, and by building up the blood by means of a short course of that unique and well-proven blood tonic, Dr. Williams' Pink Pills, will you speedily find yourself restored in truly surprising manner.

Dr. Williams' Pink Pills rejuvenate by rapidly creating new supplies of rich, red blood, pure revivifying blood which, coursing through the veins, carries fresh health and strength to all the organs, nerves and muscles. Thus the causes of aches and pains are driven out, the vital powers are renewed, spirit is revived, health is restored. Begin your cure today with Dr. Williams' Pink Pills—your chemist can supply them.

In the United States Court for China

In the matter of Change of Name of, JACOB ADE POLONETZKY.	Cause No. 3638 S. P. No. 946 NOTICE

Notice is hereby given that Jacob Ade Polonetzky, an American citizen residing in China, has filed his petition in this Court praying for authority to change his name to JACOB ADE POLLON.

Any person interested may, on or before March 31, 1934, offer and show cause to said Court why the said petition should not be granted.

William T. Collins,
Clerk,
United States Court for China.

CHINA'S GEOGRAPHIC FOUNDATIONS

A Survey of the Land and Its People

BY GEORGE B. CRESSEY

CHINA'S GEOGRAPHIC FOUNDATIONS supplies information for those seeking an understanding of population problems, social and economic changes, possible industrialization, and future international developments. Tables and charts provide a large amount of authoritative data. The large number of photographs and maps form a comprehensive pictorial presentation of Chinese life and problems. *(A McGraw Hill Publication).* M.$12.

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Reds Active Again in Central China

(From the Review's Correspondent in Hankow)

WITH the advent of spring the Reds are warming up and taking the offensive in several areas. No less than four places in Central China were mentioned in press reports during the past week: Northeastern Hupeh, southeastern Hupeh and northern Hunan, eastern Hunan, northwestern Hunan, and a fifth that will bear watching, northeastern Szechuan.

Ho Lung on a Rampage Again

With his 3000 loyal troops the Red Commander Ho Lung is defying the two full brigades of government forces sent to the northwestern part of Hunan province to make his capture. Maintaining his customary guerilla warfare Ho Lung manages to keep well in advance of the government troops, ravaging the countryside in the vicinity of Yungshun. Avoiding the walled cities the Red Commander plunders the market towns and villages. Latest reports are that he is in the neighborhood of Yuangshan.

Hsiao Keh Captures Pingsiang

From well-informed sources we learn that the city of Pingsiang in western Kiangsi, has been captured by the Red forces under Hsiao Keh, and the city of Liuyang, thirty-five miles east of Changsha, the capital of Hunan province, has also been taken by the Communist troops. General Ho Chien, chairman of Hunan provincial government, is busy allaying the fears of the populace and preparing to defend his vulnerable eastern front. Although the people in the capital city were over-anxious for a few days, the government forces apparently have been situation in hand. But with the Reds on the offensive worse things may happen.

Chinese Catholic Priests Kidnapped by Reds in Hupeh

In the vicinity of the well-known tea-raising town of Yanglutung, not far from Puchi, two Chinese Catholic priests were kidnapped by the Reds, after disarming the government troops that were escorting them and robbing them of $60,000.00 which was destined for government troop payment. This took place at Songchiacheng on the way back from Tungcheng and Tashaping of Chungyang.

Government Troops Suffer Defeat in N. E. Hupeh

Several brigades of government troops have been fighting the Reds in northeastern Hupeh, about 100 miles northeast of Hankow, near Huangan. The Reds have come out of the fray with fewer casualties than the Hupeh provincial forces. Marshal Chang Hsueh-liang has been out in his private car as far north as Huangpei to inspect the soldiers in this (Hankow) area.

Gen. Ho Chen-chun Returns from N. W. Hupeh

General Ho Chen-chun has returned to Hankow after a ten-day inspection tour along the Honan and Hupeh border from the Peking-Hankow Railway to Fancheng and Siangyang in the area threatened by one of Gen. Liu Kwei-tang's bands, which is thought to have in mind a union with the Reds in Szechuan. The Peace Preservation Corps Commander, Gen. Fan Hsi-chi is now in the Siangyang area and the situation is not causing much anxiety at present. However, the band under one of Liu Kwei-tang's proteges is ravaging ad libitum the villages and towns in southwestern Honan and northwestern Hupeh.

Bandit Chief Liu Kwei-tang Reported in Shantung

Rumor has it that Gen. Liu Kwei-tang with his roving cavalry men have struck northeast from Chowkiakow to the Shantung territory just north of Kweiteh. The district around Kweiteh, half way between Kaifeng and Süchow, on the Lunghai Railway, has been greatly disturbed of late. Whether Liu will be able to maintain his band intact now that he has reached Shantung will depend on the troops under Gen. Han Fu-chu. Perhaps his men are tired of looting and will settle down to normal life again on reaching their home province and live on their winter's loot.

Reds in Szechuan Claim to Have 200,000 Troops

Making good use of the arsenal equipment they captured last autumn in Suiting, northwest of Wanhsien, the Reds are busy these days as they have been all winter, turning out fifteen rifles a day. With the huge stores of ammunition taking at that time and the new recruits to swell their ranks, the Red Commanders are boasting of 200,000 in their Szechuan army alone. Granted that many of these perhaps are porters, etc., still the inactivity of the Szechuan government in the face of unequal and discriminating treatment of the masses has led the common farmer to welcome the coming of any form of new government, so long as it holds out some sort of relief from overtaxation. Apparently the Reds are in a stronger position, by and large, than at any previous time. Certain areas have been cleared of communists by the sacrifice of huge sums of money and the loss of life. However, one is led to the conclusion that the Reds have a greater daring and are able to take more punishment while in action than the government troops. Having attained their immediate goal, the Reds often retreat and relinquish towns and cities that have been looted clean. As a rule their desire is not to extend unduly their territory, but to capture places that will furnish them money, ammunition, or arsenal equipment, machinery, tools, rice, or wheat. For the time being the Reds recognize the fact that they are in the minority and that it is the part of good common sense to sojourn in mountainous and otherwise inaccessible places in China. But they dream of the day when all China will be in their hand and when the Sickle and Hammer ensign will float over Sovietized China. The daily paper published by the Communists in Juiking, southern Kiangsi, keeps well posted on current events in the wide world. Lord Marley's doings, for instance, were faithfully reported in this daily and reached Hankow two days before the *Reuter's* releases.

3,000 Reds Reported Killed in Chiaotou, Kiangsi

The troops under the command of Generalissimo Chiang Kai-hek have been on the defensive all winter. The Chairman of Military Affairs Commission believes in preparedness. The lines of communication, roads, railways, air fields, have been receiving the closest attention and every means of extending their usefulness has been employed. New railways have been projected, new highways built, new aviation fields laid out. All with one objective in mind: To guard the gateway to the Yangtze Valley, northern Kiangsi.

While the Red situation has been growing more formidable in southern Kiangsi and more aggressive, the policy of the Generalissimo is to keep his troops on the qui vive and to make a smashing counter-offensive whenever and wherever attacked. This was brought to our attention in the officially confirmed report of the killing of 3000 communists at Chiaotou, and the wounding of over 5000 ca Mar 13. If these figures are to be relied upon they reveal the fact that the government troops are in fine fighting fettle, for they only lost around 400 men and 600 wounded.

Chang Hsueh-liang May Build Hankow-Sinyang Highway

In order to keep in better touch with the military situation in his newly acquired domain along the Honan, Hupeh, and Anhui forders, Marshal Chang Hsueh-liang, Deputy Commander-in-Chief of the Bandit Suppression Forces, is contemplating the early completion of the unfinished sections of the motor highway which will connect Hankow and Kikungshan the summer resort, and also Hankow and Sinyang, the future residence of the Young Marshal. Thousands of troops are availabe for this work.

Kikungshan to Be Summer Residence of Chang Hsueh-liang

There is every prospect that Marshal Chang and his wife will spend some of the hot summer months on Kikungshan, a mountain resort 125 miles north of Hankow on the Peking-Hankow Railway. With General Chiang Kai-shek capping Kuling on the Yangtze to the south, it would be very appropriate if the Young Marshal chose Kikungshan and rendered it safe for one and all who desire to summer on this beautiful mountain. Plans are under way for a busy season both in the missionary valley and the concrete is being built in the missionary valley. A hotel is being run in the business valley and kept open the year around. Easter week-enders are planning trips to Kikungshan. The Young Marshal and his foreign advisor may make a trip there in the near future, possibly in connection with the establishment of an officers training school. The old residence of General Chin is still crowning one of the peaks of Kikungshan.

Northeastern Generals Return to the North

After the conference with Marshal Chang Hsueh-liang the following Northeastern Generals have returned to their respective places in north China, Generals Yu Hsueh-chung, Wan Fu-lin, Ho Chu-kuo, Wang Yi-chi, together with Mr. Wang Hsu-han, member of the Peiping Political Council. Problems bearing on the situation in the north, the rebellious Sun Tien-ying, and Liu Kweitang, and the Japanese aggression in north China, were discussed. It is rumored that that General Huang Fu is also coming soon to confer with the Young Marshal about the general situation in the north and particularly about the retrocession of passes along the Great Wall. General Liu Chih, Honan governor, and General Liu Chen-hua, Anhui governor, are also expected to viit Marshal Chang.

Hankow, March 16, 1934.

65th Diet Concluded; a Triumph for Premier Saito

The 65th session of the Imperial Japanese Diet adjourned at 11:40 o'clock on the night of March 26. The outstanding feature of the session was that the budget estimates for the fiscal year of 1934 amounting to Yen 2,142,000,000, submitted to the session by the Government, were passed by the Lower and Upper Houses. The Diet also passed 48 Government bills out of the total of 50. Thus the Government came through the ordinary session for the second time since it came under the present Prime Minister, Viscount Saito. The principal untoward incidents of the session were in connection with the resignations of the Education Minister, Mr. Hatoyama, and the Minister of Commerce and Industry, Baron Nakajima.

Japanese Exporters, Fearing Customs Barriers, Ship on Speculation

Japan's foreign trade during the month of February, with Manchukuo, China including Hongkong, and Kwantung Leased Territory, was as follows:

Export...........................	Yen	33,937,000
Import...........................	,,	26,427,000
Total	Yen	60,364,000

The above figures show an increase in export by Yen 1,674,000 from the corresponding month last year and a decrease in import by Yen 591,000.

Japan did 114,791,000 yen worth of trade with foreign countries through her sixteen principal ports during the second ten days of March with imports amounting to 67,068,000 yen and exports 47,723 yen, registering an excess of imports over exports of 19,345,000 Yen.

The briskness in the export that was witnessed during last month is explained as having been chiefly due to the speculation shipment of Japanese goods in expectation of the establishment of custom barricades in India, Dutch East Indies, British colonies and possessions as well as in various foreign countries.

Soviets Compromise on Fishery Dispute

Soviet Ambassador Yureneff exchanged views with Foreign Minister Hirota March 22 in connection with the resumption of the Soviet-Manchukuo negotiations for the sale of the C.E.R. and the fishery dispute between Japan and the Soviet Union.

The Soviet Government, has agreed to take measures to satisfy the application of Japanese fishing companies for additional bids at Vladivostok, and to accept payments, during the first half-year of 1934, according to the old rate, on condition that immediately upon completion of the bids, negotiations be started between the two Governments with regard to the rise in the bonds of the Kamchatka Joint Stock Company, which are accepted in payment of rent for the fisheries leased to Japanese firms.

Colonel Machijiri, aide-de-camp, and personal representative of the Japanese Emperor, was due to leave Tokyo March 28 for Tientsin and Peiping.

Lieutenant-General Koiso, formerly Chief of Staff of the Japanese Kwantung Army in Manchuria, who was recently appointed Commander of the 5th Division, was received in audience by the Japanese Emperor in the Palace at Tokyo March 24.

Soldiers Killed in Shanghai and Manchurian Incidents to Be Enshrined

For three days beginning April 25, a special festival of the Yasukuni Military Shrine in Tokyo will be held, at which officers and men of the Japanese Army and Navy who fell in the Shanghai hostilities and Manchurian incidents, will be enshrined with solemn Shinto rites.

Trade Control Bill as Counter Measure Against Foreign Tariffs

It was stated in a recent telegram from Tokyo that the Trade Control Bill passed by the Diet is intended as a counter-measure to foreign tariffs against Japanese goods. The Bill sanctions extra duties not exceeding the cost of goods in addition to restricting or prohibiting imports and exports. A clause dealing with infringement of trade marks is also contained in the measure, which will become law on receiving the Imperial sanction.

Peers and Barons Punished for Communistic Leanings

A special committee of the Peerage Bureau March 20, decided to deprive Viscount Toshimori Mori of his rank and eject him from the peerage because of communist sympathies. Simultaneously, the special investigating committee handed down decisions drastically rebuking five other peers for similar activities, among them Baron Sabuto Nakamizo and Baron Kuninojo Uyemura. All of the peers involved recently were arrested by the Metropolitan Police Board in connection with the anti-communist drive throughout the Island Empire. Viscount Mori's trial on charges of communism is pending before the Supreme Court, to which he appealed against a two-year sentence imposed by the lower court following his conviction.

A recently released Communist convict (one Kumagai, aged 34, a former University) student was found hanging in a friend's house early this month. In his pocket was a note in which he said that on discharge from prison he had promised to abandon communism. But search as he would, he had not found any political theory which justified him turning his back on Marxism.

Raiji Ko, one of the jurists who attended the court martials of the navy members of the group involved in the so-called May 15 affair in Tokyo in 1932, attempted suicide at his home in Tokyo Mar. 24 by cutting his throat with a Japanese sword.

Yokohama Specie's Huge Holding Abroad Is Risky, Declares Takahashi

Mr. Takahashi, Minister of Finance, at a settlement committee meeting in the House of Representatives in Tokyo March 9, said the Yokohama Specie Bank, has over Yen 350,000,000 worth of foreign exchange bought and kept in its hands. Such huge holding, he added, is a great risk to the Bank when the international exchange market is unsettled as it is to-day; but it is by virtue of this holding that Government overseas accounts can be settled without gold shipments, and Japan's credit abroad maintained, the Finance Minister pleaded.

High Japanese Naval Officers Placed an Waiting List

Rear-Admiral T. Uyematsu, who was the Commanding Officer of the Japanese Naval Landing Party at the time of the Shanghai Incident, and RearAdmiral Seizaburo Mitsui, who had been the Chief Staff-Officer to the Third Fleet (in China waters) during 1932, have been placed on the waiting list. Engineer Vice-Admiral Koji Ito was included in the same list. Vice-Admiral Sakonji, formerly Commandant of the Naval Station at Sasebo, and Vice-Admiral Terajima, Chief of the Naval Affairs Bureau of the Navy Office, who participated in the London Naval Conference, has also been placed on the waiting list.

Britons Detained for Entering Fortified Area; Subsequently Released

A party of foreigners, including the British Commercial Secretary, Mr. Macrae, and his wife, were detained by the Japanese gendarmerie Mar. 25 when they unintentimally landed in the fortified area of Miura peninsula during a boat picnic. They were subsequently released, after prolonged examination and explanation.

Hakodate Almost Destroyed by Fire

A fire which broke out in a bath-house at Hakodate, in the Island of Hokkaido, Japan, in the night of March 21, caused the destruction of more than seventy per cent. of the city. The Governor-General of the island reported that the toll of the conflagration was 640 dead: 460 injured: 92,000 homeless: and 23,000 houses gutted. Later reports put the deaths at 1200. Two American women missionaries were at first not accounted for and for a time the U. S. authorities were concerned as to their safety. They were later found safe. The blaze was fanned by a stiff breeze.

Of the 94 criminals who were released from the branch police station in Hakodate (of whom 40 were allowed out of jail with handcuffs on), 60 returned to the state penitentiary, which remained intact.

Sixty persons were found frozen to death in a parade-ground distant from the wilderness of smouldering ruins where the conflagration raged. Four Chinese were among the missing. Hakodate had a Chinese community numbering 150, of whom all except four have been accounted for. The Mitsui and the Mitsubishi firms in Tokyo, the largest and most influential concerns in Japan, have contributed each a sum of 50,000 yen toward the relief funds for the victims.

Chinese Telegram to Roosevelt Protests Hirota-Hull Notes

A telegram to President Roosevelt despatched by the Chinese Institute of International Affairs, through Consul General Cunningham March 28, charges the United States government with tacitly consenting to what it describes as Japanese violations of the Nine Power Pact and the Kellogg Pact, and to the Three Eastern Provinces. It was drawn up at an executive meeting of the Institute a few days ago, at which Li Cheng-wu, Chief of the General Affairs Department of the Foreign Ministry, Chang Wei-cheng, former Minister to Finland, Ou Han-fang, professor of Chi Chih University and several others were present.

The telegram among other things said:—"The sudden change of attitude of the American Government in the diplomatic correspondence with Japan shows that it subscribes to the spirit of the Lansing-Ishii agreement again, instead of the spirit of the principles of the Nine Power Pact and other international agreements. The people of China are afraid that the international situation will return to that of the dark age of the Anglo-Japanese Alliance and Lansing-Ishii agreement when in any negotiation of the Pacific problems, the American Government will give up the principle of international agreements."

Nanking to Foster Development of Journalism

Under the auspices of the Publicity Department of the Central Party Headquarters, a Central Press Propaganda Conference, attended by representatives of the leading newspapers throughout the country, was held last week at Nanking, presided over by Shhao Yuan-chung, Director of the said Department. The purpose of the Conference was to discuss measures to foster the development of journalistic enterprises in China. At its closing session on March 21, the Conference adopted a series of important resolutions, among which are revision of press laws, training of journalists, protection of journalists, organization of news agencies in the border territories, establishment of a newspaper factory and expansion of international publicity. Wang Ching-wei, President of the Executive Yuen, was present at the Session and delivered a speech on the occasion.

In reply to an inquiry from the Chinese Press Association of Shanghai, the Central Executive Committee has rendered an authoritative interpretation regarding the liability of newspaper editors for criminal charges. The inquiry was the sequel to a recent case in which the editor of Shanghai *Journal of Commerce* was convicted in Court under the ordinary Criminal Code for publication of an allegedly improper article in connection with a seduction case.

According to the C. E. C.'s interpretation, except where civil or criminal libaility is attributable directly to the personal actions of an editor; or where, in the case of more serious infractions, the application of other laws providing for heavier penalties is permissible under Article 23 of the Press Law, newspaper editors shall as a general rule be liable only to the penalties provided by the Press Law and shall not, except under the special circumstances mentioned above, be punished according to the provisions of other laws.

According to latest estimates compiled by the Central Party Headquarters, there are altogether 746 daily papers and 452 news agencies in China.

C. C. Julian, Fugitive From Oklahama, Commits Suicide in Shanghai

C. C. Julian, a futigive from justice from Oklahama, where he was involved in oil stock promotion scandals, (following similar scandals in California) took a dose of amytal in the Astor House Hotel, Shanghai, in the night of March 24. Death occurred several hours later in the Country Hospital. Leonora Levy, described as his secretary, swallowed some of the same poison immediately afterwards, but she recovered. The deceased was at one time worth several million dollars, but was in financial difficulties at the time of his death. He had engaged in several business ventures since his arrival here about a year ago, but they were unsuccessful.

Deceased was a native of Canada and when the U. S. authorities tried to arrest him here several months back they were frustrated by his producing a Canadian passport. Owing to the lack of the necessary laws, the American authorities were powerless to arrest him. A law extending the power to arrest fugitives in countries where the United States enjoys extraterritorial rights was passed by Congress the same day Julian committed suicide, but Julian was not directly affected by the new law, which is aimed mainly at Samuel Insull, reputedly on his way to Abyssinia or Rumania.

In the trial at Oklahama City March 19, C. A. Julian, brother of the deceased, and Samuel O. Mitchell, were given suspended sentences of one year each in the Federal District Court on charges of mail frauds in connection with the defunct C. C. Julian Oil and Royalties Company.

Real Estate Report by Realty Investment Co.

The largest building permit for the week is for a large apartment on the corner of Avenun Petain and Route Winling. It is much more than just another apartment, for it covers a large plot and will be fourteen stories high.

New Building:—

Another new building permit was granted in the same vicinity on Route Magniny—East of Route Winling—the permit calls for four foreign houses with garages.

Also in the Western French Concession 11 Chinese houses on De la Tour north of Frelupt.

On Macao Road—near Tonquin Road—8 Chinese bungalows.

Off Chengtu Road—between Sinza and Soochow Roads—a Godown with quarters.

On Laipo Road extension between Kiachow and Penang Roads, a large factory building.

In the Eastern District:—

Near the junction of Poyang and Point Roads, a boiler house and pump room.

On the corner of Thorburn and Chining Roads, an addition to a rubber factory.

On Point Road, near Alcock Road, 11 Chinese shops and 8 Chinese houses.

Road Extensions and Widenings:—

Nanking and Kweichow Roads, land surrendered for scheduled widening.

Peking and Tibet Roads, for widening.

Weihaiwei Road, west of Yates Road for widening—all surrendered for consideration.

The volume of new building is well ahead of last year, but sales at the present are few.

Chinese Aviation Officers Depart for United States

Five Chinese aviation officers, Lt. Gen. K. Y. Wang, chief of the Canton Air Corps; Col. C. K. Ding, squadron leader at Canton; Col. L. O. Moy, head of the Canton airplane construction department, and Capt. Cheng, secretary, departed for the United States on the *President Coolidge* on March 27, their purpose being to investigate civilian and military aviation developments. While all the members of the group are connected with Canton their expenses are being defrayed by the National Government at Nanking. After traveling for several weeks in the United States the party will proceed to Europe.

Chinese Murdered, Clothes Soaked in Kerosene

A Cantonese named Cheng Chang-shing, a member of the British Returned Students Union, was murdered in a furnished room in a terrace in 697 Avenue Joffre, Shanghai, in the early hours of March 27. When French Police broke into premises they found the dead man with his skull crushed in, his clothes soaked in kerosene and a fire still smouldering, the evident intention of the slayers being to burn the body. Three Chinese had occupied the room the previous night and the other roomers were kept awake by loud singing. The singing was apparently engaged in to drown the scuffle incidental to the slaying. A Chinese named Tan, who gave a Japanese name, but said he was a Korean, when he rented the room in which the murder was committed, only a few days previously, is being sought by the Police.

General Butler Believes Soviets Can Lick Japan

War between Japan and Russia is inevitable, according to a statement made at Memphis, Tenn. March 23 by Major-General Smedley Butler, retired U. S. Marine Corps officer. "Japan is in for war with Russia. If the U. S. A. strengthen its forces in Hawaii and make that an impregnable outpost, it need never worry about Japan. I am one of those who think Russia can lick Japan—not because Japan can't fight, but because of Russia's greater man-power and natural resources."

Mr. Ariyoshi to Visit Nanking Once More

It is reported in the *China Times* that Mr. Ariyoshi, Japanese Minister to China, has received instructions from Mr. Hirota, the Japanese Foreign Minister, to resume his discussions with the Central Government at Nanking for a final exchange of views regarding the Sino-Japanese situation before his return to Japan. According to information from Japanese sources Ariyoshi is to use his influence with the Chinese Government to secure the opening of direct negotiations between China and Japan for a restoration of normal relations between the two countries, and that before such negotiations are started the Chinese Government should be urged to recognize the Manchukuo Government. Mr. Hirota is also reported to have made important suggestions regarding extra-territoriality and treaty revision problems between China and Japan.

Do the "Cultural-Funds" Promote Chinese-Japanese Friendship?

A Seiyukai member complained in the Settlement Committee of the Japanese House of Representatives March 7 that the fund for cultural enterprises in China is not employed in a manner best suited for the fulfilment of its aim, which is the promotion of friendship between the two nations. The Foreign Minister replied that greater importance is attached to the cultural side than to the material side of the enterprises undertaken, in the belief that it will be more conducive to permanent Sino-Japanese friendship. The interpellator said there was ground for suspecting that the fund has hitherto been employed more for the benefit of Japanese than for, and Chinese it seemed that the cultural enterprises undertaken by Japan with this fund are a source of annoyance to the Chinese rather than a cause of thankfulness. He asked whether part of the fund is employed in enterprises in Manchuria.

The Foreign Minister replied that he thinks that it is being employed for enterprises in Manchuria as well. He said that the cultural enterprises must benefit China. If this object is not being fulfilled, remedial measures must be considered.

Shanghai Municipal Council Issues Annual Report

Part I of the report of the Shanghai Municipal Council for the year 1933 was published during the week. The annual report, however is mostly a resume of the information given out from week to week at the Council's publicity headquarters. The report on the Shanghai Volunteer Corps was made by Colonel N. W. B. B. Thoms, the retired commandant. He mentioned the necessity of increasing the membership of the Corps, stressing that men who enlist at the last moment are of very little use.

The chief officer's report on the Fire Brigade contains an analysis of the efficiency of the brigade by means of comparison with previous years. The important fires of 1933 are listed with a description of the fires. The most important fire was that of the Tongshan Road Rubber Shoe Factory, which resulted in the loss of 81 lives and injury to 50, the largest number ever recorded for a single disaster in the Settlement.

The report on activities of the police gives a detailed analysis of the past year, including labor, political and other special matters. Strikes, Communist arrests, and similar details are included. Charts, graphs, and tables give a complete record of violations and of arrests.

In the report by the acting commissioner of public health, the foreign birth rate (17.87 per mille) is published for the first time. The death-rate in 1933 reached the lowest figure since 1880 with one exception, that of 1905.

Shanghai Municipal Council Cooperates with Customs to Stop Smuggling

A scheme has been approved by the Shanghai Municipal Council for closing certain roads leading to wharves and godowns. This move is being taken in cooperation with the Chinese Maritime Customs with a view to preventing smuggling. Barriers are to be erected across five of the roads used principally as cargo outlets with access to wharves. Municipal police will be placed in control of these barriers. By this means it is hoped to reduce considerably the vast and profitable system of duty evasion which has been made possible where wharves connected directly with roads leading into the Settlement, upon which Customs officials were unable to function. In closing these roads and co-operating with the Customs authorities, the Council has stipulated that its rights in these roads are not be affected by the erection of barriers.

Municipal Election Draws Record Vote

The elections for members of that Shanghai Municipal Council held March 26 and 27 resulted in more votes being cast than every before in the history of the Settlement, namely 1787 The large vote was probably due to candidacy of A. W. Beaumont, a Belgian, who surprised the "old guard" by securing 338 votes. Mr. Beaumont drew no Japanese votes. The Japanese votes were "coached" as to how to vote and various groups were selected to vote for certain candidates, but Mr. Beaumont was not included in any of them.

The following is the number votes polled by each candidate. The first nine were elected.

T. Funatsu, 1558; O. Okamoto, 1547; Brig.-Gen. E. B. Macnaghten, 1519; J. H. Liddell. 1421; E. F. Harris, 1420; P. W. Massey, 1386; C. S. Franklin, 1372; H. E. Arnhold, 1362; J. W. Carney, 1350; and A. W. Beaumont 338.

America Is Asked to Put Chinese on a Quota Immigration Basis

Resolutions were passed at a special meeting held March 19, of the Overseas Trust Co., Inc., which were sent to Central Party Headquarters of the Kuomintang, the President of the United States, the Executive Yuan of the National Government, the Minister of Foreign Affairs, the American Secretary of State, the Minister of Industry, the Minister of Education, the American Secretary of Labor, the American Minister to China. the Bureau of Overseas Affairs of the Kuomintang, the Legislative Yuan, the chairman of the House and of the Senate Committee on Immigration of the American Congress, the China Institute of International Relations, the China Foreign Trade Association, the Chinese National Chamber of Commerce, the American Chamber of Commerce, Washington; the Shanghai General Chamber of Commerce, the Canton Chamber of Commerce, the China Society of America, the China Institute in America, the China Club of Seattle, the Foteign Policy Association New York, and the Council on Foreign Relations, New York, recording the firm conviction that the agreement or agreements between China and the United States of America should be altered toward the end that the unsatisfactory situation now prevailing with regard to the Chinese people legally resident in the territory and possessions of the United States of America may be improved. It was suggested that in order to remove discrimination against the Chinese people as a race in regard to immigration into the United States, an agreement should be reached between the governments of the U.S.A. and China whereby the privilege of the quota provision of the American immigration law may be extended to people of the Chinese race.

Railway Exhibition to Be Held in Peiping in May

Under the auspices of the Ministry of Railways in Nanking, the third national exhibition of goods produced along the nine government railways will be opened in Peiping on May 20. The Tai Miao, or the Ancestral Temple of the Manchu Imperial House, has been chosen as the venue of the exhibition, which will be open for three weeks.

The nine government railways, including the Peiping-Hankow, Peiping-Mukden and Tientsin-Pukow Railways, are now busy collecting exhibits from Chinese merchants, industrialists, farmers and others. These exhibits will be sent to Peiping free of freight charges.

The exhibition will consist of nine sections, each section housing the exhibits sent by one government railway. In addition, local traders will be allowed to establish stalls on the exhibition grounds, but there is one condition attached to this privilege, and that is that they must be dealers in native goods.

Motion Picture Conference Held at Nanking

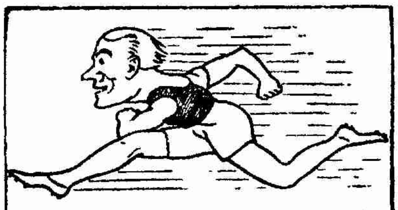
The second and final meeting of the National Motion-Picture Conference was held at Nanking March 24, under the chairmanship of Shao Yuan-chung, Chairman of the Central Party Publicity Committee. Among the proposals adopted were: More pictures showing local customs and natural scenery of the border territories to be filmed, a National Motion-Picture Association to be organizated, the Central authorities to be petitioned for the preparation of more plays depicting revival of the national spirit, and filming of more pictures of educational or cultural value.

Cinema houses throughout the country must show at least one Chinese picture every month according to a decision reached between Chinese film producers and the Publicity Department of the Central Kuomintang Mar. 23.

All documents of the old Central Film Censorship Board were taken over by the Film Direction and Guidance Committee of the Central Party Publicity Committee at Nanking March 20.

National Good Roads Association Creates Service Department

The National Good Roads Association of China, with its headquarters at 608 Rue de Pere Froc, Shanghai, has created of a Service Department. C. P. Yin, Chairman of the new Service Department, is a former director of the Nanking-Shanghai Railway; H. C. Tung, a deputy Chairman, was formerly the Chief of the Kiangsu Re-construction Bureau under whose direction the Soochow-Kashing highway was completed and opened to traffic. T. K. Chao a second deputy, is well known as the Vice Director of the National Bureau of Public Road at Nanking, and also Chairman of the Inter-Provincial Traffic Commission of the National Economic Council. Miss A. Viola Smith, American Trade Commissioner, has been invited to serve as an hononary advisor.



Good Going!

The going will be good at work or play only so long as the digestive organs are kept in healthy condition, and to keep them thus there is nothing more helpful than an occasional dose of Pinkettes. These tiny laxative pills, gentle in action and non habit-forming, stimulate the liver and intestinal tract, thereby aiding digestion and ensuring regular daily elimination. To dispel constipation, sick-headache, bilious attacks, to correct impure breath, pimply sallow skin, and to relieve piles, Pinkettes are perfection. Get a vial to-day of any chemist.

CUSTOMS NOTIFICATION NO. 1349

The public is hereby notified that in accordance with Government instructions plans for use in connexion with the manufacture of arms and munitions of war will in future be treated as restricted articles and only be allowed importation provided they are covered by Chüncheng Pu authority.

H. O. TONG,
Superintendent of Customs.

A. C. E. BRAUD,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 27th March, 1934.

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The National City Bank of New York, Rates of Exchange

Shanghai, March 28, 1934

Demand selling rate on America:	U.S.$100=Sh. 290.38
Demand buying rate on America:	U.S.$100=Sh. $287.26
Demand selling rate on London:	£1 0 0.=Sh. $14.883
Domand rate on buying London:	£1.0.0=Sh.$14.713

Latest New York Stock Exchange Quotations

Market—Easy **Business Done 1,590,000 Shares**

March 28, 1934

1933-34 High	1933-34 Low	Div. $ per Sh.	STOCK	Mon. Mar. 26	Tue. Mar. 27
13¾	3	—	Adams Express	9⅞	9¼
83	11⅛	0.60	Alaska Juneau	20¾	20
160	70¾	6.00	Allied Chemical & Dye	150½	148⅛
107⅛	19½	4.00	American Can	99	97
·19⅜	5⅞	—	American & Foreign Power	10⅜	9⅜
44⅞	7¼	—	American & Foreign Power 7% Pfd.	21¼	21
58½	23⅝	5.00	Amer. & For. Power 5% debs. of 2030	51⅛	50¼
27¼	3⅛	—	American Metal Company	23½	22⅛
53½	10¾	--	American Smelting	43	41⅝
134¾	86½	9.00	American Tel. & Tel.	119¾	117⅝
94¾	50¾	5.00	American Tobacco "B"	69	68
48¼	10⅞	1.00	American Waterworks	21	20⅝
80	35	6.00	American Waterworks $6 preferred	Unq.	Unq.
22⅞	5	—	Anaconda Copper	14⅞	14¼
18⅝	5⅞	—	Atlas Corporation	13¼	12⅝
84¼	31	2.00	Auburn Automobiles	53½	51
37⅝	8¼	—	Baltimore & Ohio	29½	28⅝
49½	10⅛	—	Bethlehem Steel	41½	39½
37⅞	18	1.60	Borden Company	22⅝	22½
28½	5½	0.25	Borg Warner	26	24¾
20⅞	7¼	—	Canadian Pacific Railway	16⅞	15½
103½	39½	—	Case, J. I.	71⅛	68½
47⅞	16⅝	1.40	Chase National Bank	27	26
52½	14⅞	2.50	Chesapeake Corporation	40¾	39½
59	7¾	1.00	Chrysler Corporation	53⅞	51⅛
46	25	5.50	Cities Service Power & Light 5½s/52	41¼	40⅛
28⅛	9	0.50	Columbia Gas & Electric	15⅞	15½
6⅞	1⅜	—	Commonwealth & Southern	2⅝	2⅝
64⅞	34⅛	3.00	Consolidated Gas of N. Y.	39½	38¾
20½	4⅞	—	Continental Oil	19¾	18¾
9	2⅝	—	Coty Inc.	7⅝	6⅞
5⅞	1½	—	Curtiss Wright Company	4¼	4⅛
102¾	32⅛	*2.00	Du Pont de Nemours	95½	93¾
93¾	46	3.00	Eastman Kodak	88	86
41⅝	10	—	Electric Bond & Share	17½	16⅞
66	25	6.00	Electric Bond & Share $6 preferred	46	Unq.
15⅝	3⅛	—	Electric Power & Light	7⅝	7¼
19	12	—	Fox Film "A"	15¼	14⅝
10¾	2⅞	—	General Aviation	6¾	6¼
30¼	10½	0.40	General Electric	21¾	20⅝
39⅞	21	1.50	General Foods	33⅞	33
41½	10	*1.00	General Motors	38	36⅝
49½	13¼	1.00	General Railway Signal	43	41¾
27⅜	12	1.20	Gold Dust	20	19¾
47½	9¼	—	Goodyear Tire & Rubber	35¾	35
40	6⅛	—	International Cement	30⅞	29½
46⅛	13⅝	0.60	International Harvester	41⅛	40⅞
27¼	6¾	—	International Nickel	27½	27⅛
21¾	5⅛	—	International Tel. & Tel.	14½	13¾
67½	20⅛	4.50	Int. Tel. & Tel. conv. 4½s of 1939	69½	68¾
65¼	21¼	—	Johns Manville	54½	54
26	7⅜	—	Kennecott	19¼	18
79⅞	37½	2.40	Lehman Corporation	73	70
99⅞	40½	*4.00	Liggett & Myers "B"	88½	87¾
36½	8½	1.00	Loew's Inc.	31⅝	30½
25¼	10⅜	1.20	Lorillard P. (Com.)	17	17
35⅜	8⅝	—	Montgomery Ward	32	30⅝
64⅛	16⅞	1.00	National City Bansk (bid price)	27¾	27
41⅝	5⅝	—	National Distiller	28¾	27⅝
60½	34	5.00	New England Grs & Electric 5s 1947	54⅛	53⅛
58½	14	—	New York Central	36⅝	34¾
36½	12¾	8%S	North American	19¼	18¾
96¾	31½	2.00	Owens Illionois Glass	85	88
31⅞	15	1.00	Pacific Gas & Electric	19⅝	19⅛
6⅞	1¾	—	Packard Motors	5¾	5⅝
42½	12¾	0.50	Pennsylvania Railroad	34⅝	33½
6⅜	1⅛	—	Pennroad Corporation	3⅛	3
19½	4¾	—	Phillips Petroleum	18½	17¾
12¼	3	—	Radio Corporation	7⅝	7⅛
54¼	26½	3.00	Reynolds Tobacco "B"	40½	40¼
50⅞	12½	—	Sears Roebuck	47⅝	46⅞
19½	6	1.00	Socony-Vacuum Corporation	16⅜	16⅝
28	14¼	2.00	Southern California Edison	18¾	18⅝
22½	5⅛	—	Standard Gas & Electric	13¼	12⅛
77	35	6.00	Standard Gas & Elec. 6% notes 1935	66¾	66¾
49¾	22¾	1.00	Standard Oil Co. of N. J.	45⅛	44⅛
60¾	46	3.80	Sterling Products	54	52⅛
9	1½	—	Studebaker	7⅝	7⅛
30⅛	10¾	1.00	Texas Corporation	26¼	25⅝
9⅜	2⅝	0.12	Transamerica	7	6⅞
51⅞	19¾	1.00	Union Carbide & Carbon	43⅝	42¼
132¾	61¼	6.00	UnionPacific	125	123
46⅞	16½	—	United Aircraft & Trans.	23⅞	22⅝
14¼	4⅛	—	United Corporation	6⅞	6⅝
25	14	1.20	United Gas Improvement	16¾	16⅛
25	2⅞	—	U. S. Rubber	19⅜	18¾
67½	23⅜	—	U. S. Steel	51¾	49⅞
51½	21½	*2.00	Universal Leaf Tobacco	46	43¾
28⅝	7⅝	—	Vanadium	26½	25⅛
9⅛	1	—	Warner Bros. Pictures	6⅝	6⅛
58¾	19¾	—	Westinghouse E. & M.	38	36¼
53½	25⅛	2.40	Woolworth	51	50⅛
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